The impact of the lending activities of the European Community in developing countries

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The committee adopted the own-initiative report by Gabriele ZIMMER (GUE/NGL, DE) on the impact of the lending activities of the European Community in developing countries. MEPs called for improved cooperation between the development activities of the European Investment Bank (EIB) and those of the Commission and Member states, with a view to harmonising and increasing the efficiency of development policy measures. Although the EIB had made progress in following EU development policies, the committee still believed that the EIB instruments lacked flexibility and that there were problems with project evaluation.

In general the committee found that there was a lack of dialogue between the European institutions and the EIB and called for greater cooperation not only with the Commission and the Parliament but also with other development agencies. The EIB should also coordinate its "objectives, criteria and methodology with the European Development Finance Institutions" and cooperate within the Interact Network in order to ensure that EIB funding complements the measures taken by the Commission and the Member States .

MEPs also welcomed the fact that the EIB supported the EU's development policy objectives set out in the Cotonou Agreement and that it made lending conditional on the relevance of Investment Facility projects to the attainment of the Millennium Development Goals (MDGs). However, they called for these criteria to be extended to cover all projects supported by the EIB in developing countries. The report further recommended that the Commission and the EIB should cooperate in proposing a new integrated approach for the programming and delivery of EU external assistance.

As far as assessment and evaluation are concerned, MEPs wanted the EIB to adopt the key indicators defined by the Commission with regard to the MDGs and to integrate them into its Development Impact Assessment Framework. They also urged the Bank to "align its 'Development Impact Assessment Framework of Investment Facility Projects' with international standards of development assessment.

The committee called for more instruments to stimulate SME investments and encourage entrepreneurship, especially among women. The report also stressed the need to "improve the environmental sustainability of loans", for example by financing projects for the protection of the natural environment, assessing all hydro-power projects using the guidelines of the World Commission on Dams and promoting renewable energy projects.

Lastly, MEPs urged the EIB to take effective measures against corruption and money laundering and "to commit itself to supporting contracts resulting from an open and transparent negotiating process that oblige the EIB's clients in developing countries to demonstrate that they have internal revision systems capable of identifying bribery and corruption".