

# **EIB loans: renewal of the Community guarantee for the period 2007-2013**

2006/0107(CNS) - 20/11/2006

The committee adopted the report by Esko SEPPÄNEN (EUL/NGL, FI) amending, under the consultation procedure, the proposed decision granting a Community guarantee to the EIB against losses under loans and guarantees for projects outside the Community :

- as many of the countries eligible for assistance are developing countries, the proposal should have a dual legal base, consisting of Article 179 of the TEC (development cooperation) as well as Article 181a as proposed by the Commission;
- specific mention should be made of the Instrument for Democracy and Human Rights;
- EIB Financing Operations should "contribute to the general objective of developing and consolidating democracy and the rule of law, the objective of respecting human rights and fundamental freedoms, and the observance of international environmental agreements to which the European Community or its Member States are parties" (Recital 7). The committee also wanted to see an "ex-post control mechanism to ensure that actions financed by the EIB outside the Community uphold the values of the EU";
- the proposed "blanket" guarantee rate of 65% should be reduced to 55%. The committee argued that this should be sufficient to shelter the Community's finances from the risk of defaults;
- the European Parliament should be involved to a greater extent, inter alia by being given more information and more opportunities for scrutiny;
- there should be greater accuracy of budget programming for the provisioning needs of the Guarantee Fund;
- lastly, the committee tabled amendments aimed at improving the assessment process.