

A photograph of a modern glass skyscraper at sunset. The building's glass facade reflects the warm orange and pink hues of the sky. The interior lights of the building are on, and some office furniture is visible through the windows. In the foreground, there is a paved area with a large, curved, grey metal structure. To the right, there is a green lawn and a circular, textured area. The overall scene is a mix of urban architecture and natural elements.

# **INVESTING IN INTEGRITY?**

---

**TRANSPARENCY & ACCOUNTABILITY  
OF THE EUROPEAN INVESTMENT BANK**

# MAIN FINDINGS: THE EU'S BANK



## Not a classic 'development' bank

- Hybrid: EU body, (commercial) bank
  - Lacks focus on transparency, human rights due diligence
- Embedded in EU law framework
  - Tangled web of laws, policies, guidelines
  - Challenge of implementation, transparency would help
- Mainly accountable to MS
  - EIB managing ever more programmes based on the EU budget: ELM, H2020, CEF, PBI, EFSI, EIP, micro-finance



- ✓ Increased 'financialisation' of EU budget should lead to greater transparency, formal accountability, to enable effective controls



# MANAGEMENT COMMITTEE ROLES



## Ensuring Vice-Presidents' independence

- EIB Vice-Presidents are currently put in charge of their home countries
    - Knowledge of their private sector and 'national champions'
    - Proximity to national governments, who appoint them
- Commissioners do not have country responsibility



## The EIB should:

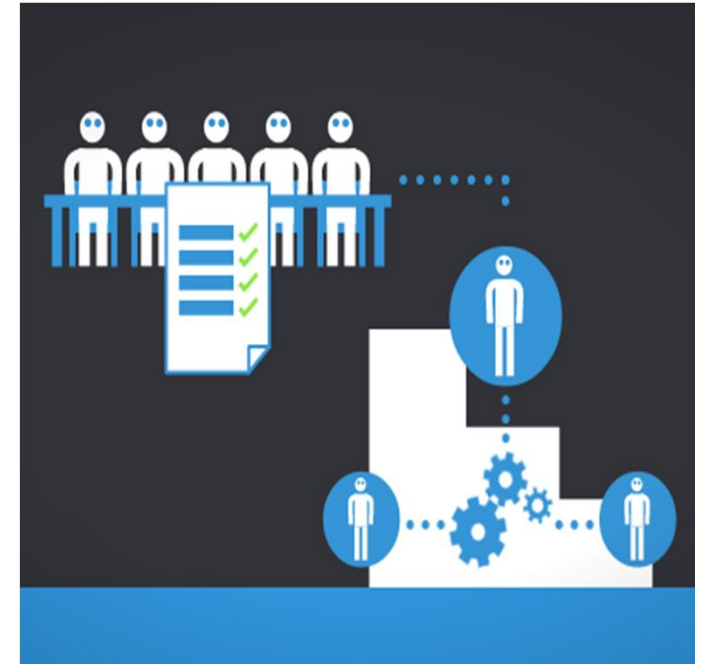
- ✓ Not put VPs in charge of their home countries
- ✓ Join the EU Transparency Register
- ✓ Publish meetings of Management Committee members

# EIB GOVERNING BODIES



## Establishing clear responsibilities

- “Non-executive” Board of Directors
  - Flies in 10 times per year
  - Approves 1.125 bn EUR of loans per hour
  - Conflicts of interest are published in ad hoc fashion
- Management Committee also not responsible for loan decisions
  - Declarations of interest lack detail (cf. Ombudsman)



## The EIB should:

- ✓ Publish meeting minutes of BoD and Management Committee
- ✓ Publish detailed declarations of interest for both bodies

# BENEFICIAL OWNERS AND TAXES



## Becoming an EU policy tool

- Recent legislative activity on
  - Anti-Money Laundering
  - Beneficial ownership (BO) transparency
  - Public country-by-country reporting (CBCR)
- Specific Commission calls on EIB to
  - Ensure no EU funds channelled through tax havens

## The EIB should:

- ✓ Require publication of BO info for all bidders on EIB-funded procurement
- ✓ Update its 2009 policy on “non-cooperative jurisdictions” (NCJs)



# JUNCKER INVESTMENT FUND



## European Fund for Strategic Investments

- Use of EU budget to guarantee private sector risk
  - This entails stronger EU-level accountability
  - Private sector Investment Committee members under insufficient scrutiny
  - Project assessments under the scoreboard of indicators will be made more transparent in EFSI 2.0



## The EIB should:

- ✓ Publish Investment Committee minutes & scoreboard assessments
- ✓ Strengthen parliamentary scrutiny of the Commission's EFSI appointments in the Steering Board

# DEBARMENT



## Excluding corrupt entities from EIB funds

- EIB debarments are published in an ad hoc way
  - All 3 debarred entities pertain to the same case

**3**

Entities debarred  
by the EIB

**820**

Entities debarred by  
the World Bank

## The EIB should:

- ✓ Publish debarred entities on a dedicated list
- ✓ Join cross-debarment lists with other multilateral lenders
- ✓ Implement the Commission's Early Detection and Exclusion System