

## "EIB Governors discuss future strategy" in EIB-Information

**Caption:** Following the 2001 EIB Board of Governors' annual meeting, held in early June in Luxembourg, Philippe Maystadt, EIB President, presents the bank's principal areas of activity for the years to come. In his view, the bank should further concentrate its lending activity on key sectors defined by Community policies, in accordance with its mission of contributing to the objectives of the European Union.

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## **EIB Governors discuss future strategy: “Stabilisation within the EU favours lending outside the Union”**

**EIB President Philippe Maystadt says that the Bank is ready to limit growth of its lending in the Member countries in order to give more room for activities outside the Union.**

“This strategy has to be seen against the background of a rapidly changing economic and political environment, of calls for greater accountability and transparency from various stakeholders, of greater emphasis on environment and social issues as well as of discussions on the proper role of international financial institutions.

The Bank is to focus more on the quality of its lending activity where its value added can clearly be demonstrated.

The foundation of the strategy of the EIB Group is clear: the EIB has to be a “policy-driven” public bank with the mission to contribute to the policy objectives of the European Union as laid down in the Bank’s Statutes and in decisions of the European Council. In 2001 already, the volume of lending in the Union should not exceed the EUR 30 billion level reached last year. This will leave adequate room for other areas, in particular, in the Accession Countries and the Mediterranean.”

Philippe Maystadt was speaking at the EIB Board of Governors’ annual meeting in Luxembourg in June.

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Maystadt was speaking at the EIB Board of Governors’ annual meeting in Luxembourg in early June. The Board of Governors consists of Ministers nominated by each of the Member States, usually Ministers of Finance, Economic Affairs or the Treasury.

“The foundation of the strategy of the EIB Group is clear: the EIB has to be a “policy-driven” public bank with the mission to contribute to the policy objectives of the European Union as laid down in the Bank’s Statutes and in decisions of the European Council. Therefore, the Bank is to focus more on the quality of its lending activity where its added value can clearly be demonstrated.

The EIB’s Corporate Operational Plan (COP) covering the period 2001-2003 specifies that, in 2001 already, the volume of lending in the Union should not exceed the EUR 30 billion level reached last year. This will leave adequate room for other areas, in particular, in the Accession Countries and the Mediterranean and at a later stage the ACP countries, Asia and Latin America.

This trend is expected to be confirmed in the preparation of the next COP covering the period 2002-2004, which will go further in terms of definition of more precise priorities.”

Philippe Maystadt says that the Bank’s strategy has to be seen against the background of a rapidly changing economic and political environment, of calls for greater accountability and transparency from various stakeholders, of greater emphasis on environment and social issues as well as of discussions on the proper role of international financial institutions.

### **Focus on core activities**

“This implies an increased focus on the real priorities of the Bank; we must concentrate on the most important core activities, while limiting our activity in other areas. Key sectors will be Trans-European Networks, environment, small and medium-sized enterprises, Innovation 2000 Initiative (i2i) areas such as high technology and human capital, and other projects clearly contributing to regional development, especially in the more depressed regions.”

## **Closer cooperation with Commission**

“To strengthen the policy lending activity, we believe that the Bank should develop a closer and deeper relationship with the Commission, to become in particular a full partner in its programming activities. Sound progress has already been achieved with regular contacts in the fields of regional development, environment and climate change but also important i2i areas like research, telecoms and the audio-visual sector”, Philippe Maystadt told the Board of Governors.

“A clear example is provided by ISPA, where an effective co-operation has been established. We believe that this could go further. Within the Union work continues in the context of the Community Support Frameworks. Outside the Union, we believe that the successful experience in the Mediterranean with the combination of technical assistance (funded by the Bank through METAP) and subsidies on EIB loans for environmental projects could be extended to Accession Countries and accelerate the implementation of projects urgently required.”

## **New tool: Balanced Scorecard**

Philippe Maystadt informed the EIB Governors that a Balanced Scorecard will be introduced in order to, for instance, help familiarise staff with the Bank’s strategy and enable them to understand how they can contribute to its implementation.

“We intend to introduce a Balanced Scorecard, a method tested in private and public organisations. The Balanced Scorecard, a management technique focusing on performance measurement fills the gap between the mission, the strategy, the COP/budget process and the performance measurements systems currently in place at the Bank. One of the main features of the BSC is that it covers not only financial indicators but also other non-financial dimensions of the business activities.

Its implementation will involve the establishment of a strategy map (a graphic depiction of the strategy), the development of related measures/indicators, the setting of objectives/targets based on the strategy and finally the cascading of these targets down to individual business units.

The BSC will be used as a support for policy implementation and as a communication tool throughout the Bank to help familiarise staff with the strategy and enable them to understand how they can contribute to its implementation. It will also be used as a management tool to obtain more precise and systematic information so that the organisation as a whole can adjust and respond more rapidly.”

## **Increased transparency**

“I would like to draw attention to important innovations in the way in which, in the last year, the EIB has made itself more transparent and open to public scrutiny. Of course, our principal responsibility remains to our Governors and Directors and we have developed close relations with the European Parliament, but we believe that others are entitled to know what the EIB is doing.

We have a new and revised disclosure policy for the Bank which has been circulated to our Board of Directors and is on our website. We now show on our website information on projects before our Board of Directors has taken a decision on them, provided that the promoter agrees.

We have revised our Environmental Policy Statement, which is also on our website, and are following this up with statements about how we will help to implement European Union policies on Climate Change and the promotion of Sustainable Development.

For a few years now, the Bank has had a dialogue with representatives of civil society (NGOs). We are further developing this dialogue by arranging an open meeting with NGOs in the near future to discuss the new disclosure policy and policy on the environment.

At the Board of Governors' meeting last year, I set out commitments to have all the Bank's activities audited without exception. As the Chairman of the Audit Committee has made clear, the Management Committee has been at great pains to ensure that there is a comprehensive audit of the Bank's activities. In the year ahead, we will continue to cooperate closely with the Audit Committee in achieving this aim. At the same time, it is important that the audit and control of the Bank's activities does not lead to an excessive burden on the Bank's relatively small staff."