

Written question No 489/74 by Lord O'Hagan, MEP, to the Commission (12 November 1974)

Caption: Written Question No 489/74 by Lord O'Hagan, Member of the European Parliament, to the Commission of the European Communities regarding the relationship of the European Investment Bank (EIB) with the Commission. The structural relationship between the two institutions stems from the inclusion of one director and one alternate, nominated by the Commission, on the Bank's Board of Directors. An operational relationship likewise exists owing to the fact that EIB loan applications are submitted to the Commission for an opinion. However, the Commission does add that the EIB's executive bodies are responsible only to the Bank and are completely independent in the performance of their duties.

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Written Question No 489/74 by Lord O'Hagan to the Commission of the European Communities

(12 November 1974)

Subject: European Investment Bank

1. What is the relationship of the European Investment Bank to the institutions of the EEC?
2. To whom is the European Investment Bank accountable?
3. What control does the Commission have over the European Investment Bank?
4. Is the Commission satisfied that the European Investment Bank provides enough assistance for projects in the less developed regions of the Community?

Answer

(4 February 1975)

1. The European Investment Bank has a close relationship with EEC institutions. Various aspects of this relationship are defined in the EEC Treaty, in the statute of the bank and in association agreements involving the EIB. Its relationship with the Commission is of course particularly close.

At institutional level the bank's board of directors includes one director and one alternate nominated by the Commission and appointed by the board of governors (Article 11 of the Statute).

2. The bank is a public body under Community law, its organization and operation being regulated by the Treaty and its statute. Its executive body, the management committee, is responsible to the board of directors and the board of governors.

The board of governors, which consists of ministers designated by the Member States, is the bank's supreme body. It lays down general directives for credit policy, with particular reference to the objectives to be pursued as progress is made in the attainment of the common market. It approves the annual report and the annual balance sheet and profit and loss account drawn up by the board of directors (Article 9 of the statute).

The board of directors has sole power to grant loans and guarantees and to raise loans; it fixes interest rates on loans granted and commission on guarantees; it sees to it that the bank is properly run and ensures that it is managed in accordance with the provisions of the Treaty and the statute and with the general directives laid down by the board of governors (Article 11 of the statute).

The management committee is responsible for the current business of the bank, under the supervision of the board of directors (Article 13).

The members of the board of directors and the management committee are responsible only to the bank and are completely independent in the performance of their duties (Articles 11 and 13).

A committee appointed by the board of governors verifies each year that operations have been conducted and books kept in a proper manner (Article 14).

Furthermore, the Court of justice has jurisdiction in terms of Article 180 of the Treaty to review the legality of the deliberations of the board of governors and in certain instances of the board of directors.

3. The Commission as a Community institution watches over Community interests.

The fact that members nominated by the Commission sit on the board of directors and that loan applications are submitted to the Commission for an opinion (Article 21) ensures that action by the bank is in line with Commission policy. Since a unanimous vote by the board of directors is required to overrule an unfavourable Commission opinion, the Commission's views carry considerable weight.

4. The Commission is satisfied that the EIB has provided enough assistance for projects in less-favoured regions in the past.

Through its contracts with the bank it ensures that an adequate proportion of EIB loans are channelled towards the regions.