

European Communities

EUROPEAN PARLIAMENT

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Report

drawn up on behalf of the Committee
on Budgetary Control

on relations between the European Parliament and the
European Investment Bank and ways in which Parliament
may supervise the budgetary operations associated
with the activities of the European Investment Bank

Rapporteur : Mr Pierre Bernard COUSTE

By letter of 22 September 1982, the Committee on Budgetary Control requested authorization to draw up a report on relations between the European Parliament and the European Investment Bank and ways in which Parliament may supervise the budgetary operations associated with the activities of the European Investment Bank.

At its meeting of 12 October 1982, the Bureau of the European Parliament authorized the Committee on Budgetary Control to report on this subject.

On 15 February 1983, the Committee on Budgetary Control confirmed the appointment of Mr Pierre Bernard COUSTE as rapporteur.

At the same meeting, the Committee on Budgetary Control considered the draft report. It adopted the motion for a resolution unanimously with one abstention.

Present : Mr AIGNER, chairman; Mrs BOSERUP, Mr TREACY and Mr PRICE, vice-chairmen; Mr COUSTE, rapporteur; Mr ADONNINO (deputizing for Mr FRUH), Mr ALBER (deputizing for Mr GONTIKAS), Mr BATTERSBY, Mr BONDE (deputizing for Mr BLANEY), Mr FILIPPI, Mr KELLETT-BOWMAN, Mr KEY, Mr MART, Mr NOTENBOOM, Mr RYAN, Mr SCHÖN, Mr SEGRE (deputizing for Mr FERRERO).

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The Committee on Budgetary Control hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

on relations between the European Parliament and the European Investment Bank and ways in which Parliament may supervise the budgetary operations associated with the activities of the European Investment Bank

The European Parliament,

- A. having regard to the EEC Treaty, particularly Articles 129 and 130, and to the Protocol on the Statute of the European Investment Bank,
 - B. considering that the task conferred on the EIB by the EEC Treaty is to contribute to the balanced and steady development of the Community and that its priorities for action are those laid down by the statutes and competent bodies of the European Investment Bank in the light of Community guidelines and policy,
 - C. considering that Article 205 of the EEC Treaty makes the Commission responsible for the implementation of the Community budget,
 - D. considering that the provisions of Articles 199 to 209 of the EEC Treaty, together with the financial regulations, the regulations concerning the financial autonomy of the Communities and the regulations establishing the various borrowing and lending instruments are designed to set up a genuine Community budgetary and financial policy embodied in legislative provisions relating to the budget,
 - E. considering that the power of discharge conferred upon Parliament under EEC Article 206(b) implies that Parliament has a general responsibility towards European citizens with regard to the establishment and implementation of the Community budget,
 - F. considering that the European Investment Bank uses certain funds entered in the Community budget and that it grants loans on the basis of its own resources under association or co-operation agreements,
- having regard to the report of the Committee on Budgetary Control (Doc. 1-1309/82),

1. Considers it desirable to proceed with the introduction of a Community budgetary and financial policy, determined within the framework of the legislative provisions relating to the budget, and subject to the democratic supervision of Parliament;
2. Recognizes the effort made by the Bank to inform it of its activities and the criteria taken as a basis for its operations;
3. Looks for the development of close relations with the European Investment Bank, particularly in the form of regular meetings with the relevant committees of Parliament, which will allow Parliament a greater insight into the range of the Bank's activities; takes note of the Bank's initiative of providing it with this information;
4. Considers that such meetings are all the more necessary in view of the particularly significant extension of the nature and volume of the Bank's operations in recent years;
5. Considers that, in accordance with the Bank's autonomous status within the Community structure and with the powers of its decision-making bodies in particular, it must be in a position to assess how far the Bank's operations contribute to the achievement of the Community's prime objectives;
6. Proposes that in a preamble to the Community budget there should be a definition of Community policies and prime objectives, which would incorporate priorities established in other contexts, co-ordinate them and integrate them into the Communities' budgetary and financial policy, without prejudice to the particular responsibilities of the agencies of the European Investment Bank;
7. Stresses that in so far as the European Investment Bank uses budget resources that it administers on the authorization of the European Economic Community, the supervisory principles and regulations laid down by the Treaty and the Financial Regulation are applicable, and the Commission retains entire responsibility for their implementation, as is the rule, moreover, in cases of delegation of powers;
8. Will continue to make sure that this responsibility is not called into question by the co-operation agreements between the Commission and the European Investment Bank;
9. Instructs its President to forward this resolution to the Commission, the Council and the European Investment Bank, and to communicate it to the other institutions for information.

EXPLANATORY STATEMENT

1. Since the Committee on Budgetary Control was set up immediately after direct elections, constant efforts have been made to ensure that Parliament should assume full responsibility for all areas coming under the heading of supervision of the budget. This supervision is above all political, concerned primarily with the appropriateness of administrative measures in the light of political objectives. It is generally the task of the other competent supervisory bodies - either internal bodies or the Court of Auditors - to ensure that the administration is carried out in a regular, legal and efficient way, and these aspects of the work are only considered by Parliament when they have political relevance.

2. First of all, Parliament has a comprehensive view of its responsibility for the budget. Its responsibility here is concerned with the definition of a policy, and it aims to use the various powers conferred on it to implement this policy. The European Investment Bank, which is by far the most important Community body for long-term financing of directly or indirectly productive investments, enjoys autonomous status with its own decision-making and supervisory bodies. It is desirable that it should maintain relations with Parliament that would provide the latter with an understanding of the range of its activities and a clear idea of the way in which it carries out its role as a Community institution. The Committee on Budgetary Control has a particular interest in close relations of this kind as the European Investment Bank uses, with the European Economic Community's authorization, funds from the Community budget;

3. Parliament sees its supervision of the budget as a responsibility towards the electorate and a safeguard for it: the management of Europe's finances is carried out under the supervision of the representatives of the people, solely with objectives approved of by them in mind. Certainly the European Investment Bank's own decision-making and advisory bodies guarantee that its operations are carried out in a regular manner and are properly managed. But, by providing finance, the European Investment Bank contributes to the achievement of the Community's economic objectives, and Parliament considers it its duty to make a political assessment of the results of its work. The Bank's statutory position means that the Commission or the Council intervenes as intermediary in relations between Parliament and the European

Investment Bank (in the discharge procedure concerning the loans under the budget that are managed by the European Investment Bank on the Community's authorization; in written questions to the Commission or Council; and in the annual report on borrowing and lending activities).

4. In these circumstances, Parliament would like to be able to make a better assessment of the basis and extent of the Bank's contribution to the achievement of Community objectives and priorities in the development of its activities, even though the European Investment Bank has always distributed full documentation about its work. This desire is all the more genuine because Parliament is aware of the lack of continuity in defining Community policy objectives, which it is sometimes hard to distinguish from a mere amalgam of national politics.

Parliament's wish to strengthen its relations with the European Investment Bank is therefore aimed at politically assessing how far the EIB contributes to the achievement of the Community's main objectives with regard to investments.

5. This would of course be significant only if there were a genuine Community financial and budget policy, which implies both a decision-making centre to define the policy and a legislative body to give it legal force. In this connection, the difficulties experienced within the budget authority in recent years and the resistance encountered in the campaign for the recognition of the political nature of the budget give rise to some doubts about the efficacy of the Community's budget structures.
6. Nevertheless, the intention expressed by the President of the European Investment Bank, during meetings with several parliamentary committees in 1982, of encouraging regular contact between the European Investment Bank and Parliament, particularly its committees, is a very interesting development, and one that could be the starting point for close relations that would allow Parliament a better understanding of the range of the Bank's operations. Such relations would be based primarily on the principle that during the six months following the end of the financial year, at one of the meetings of the relevant parliamentary committees, the EIB would make a statement on financing it had carried out during the previous financial year and how this had contributed to the Community's prime objectives.

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7. Another problem that has arisen in the Parliament is that of its right of discharge in respect of those borrowing and lending operations entered in the budget which the European Investment Bank is responsible for managing (NCI, EURATOM, special loans or equity capital operations as part of aid to developing countries, subsidies for EMS and earthquakes). The legal situation is clear; final responsibility for the management of these instruments rests with the Commission, which is accountable to Parliament for them, under the discharge procedure. The fact that the Commission, on the Council's decision and after consulting Parliament, delegates part of the responsibility for implementation to the European Investment Bank is not in itself a barrier. It very often happens that the Commission delegates responsibility for carrying out work to national administrations or bodies and may therefore do likewise with regard to the European Investment Bank.

8. Parliament is however always fully informed of the details of this kind of delegation, which allows it a fuller appreciation of the Commission's responsibility. Whenever the Commission does give the European Investment Bank a mandate, the Committee on Budgetary Control has been formally assured by the Commission that the texts authorizing the delegation will not call this responsibility into question, and will furthermore be submitted to it for information in good time.

