

**Annual Press Conference 2005****Briefing Note N°14**

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**Transparency policy, Governance and relations with NGOs**

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Transparency is included in the EIB's Corporate Operation Plan (COP) as one of the Bank's main strategic corporate objectives. It reflects directly the EIB's role as the European Union's policy driven bank. In line with the EU policy framework, the Bank is pursuing its actions to increase the transparency of its activities and communicate even more effectively with all stakeholders.

**Transparency Policy**

The Bank's transparency policy is laid down in "**Transparency – Report and Prospects**", approved by the Board of Directors and published on the EIB's website on 25 June 2004.

(<http://www.eib.org/publications/publication.asp?publ=152>).

"Transparency – Report and Prospects" was published to review the Bank's public information policy and to propose a number of enhancements. The document was not intended to replace the public information policy, which itself is scheduled to be reviewed in the 1<sup>st</sup> quarter of 2005, subject to public consultation process.

"Transparency – Report and Prospects" includes a range of new actions:

- Increased information on corporate governance, ethics and remuneration:
  - a signed declaration of other positions held by Board of Directors members
  - release of details of their abstentions from voting in cases of conflict of interest
  - a signed declaration of financial interests by members of the Management Committee
  - announcement of changes to the composition of EIB's governing bodies
  - information on all other decisions of the Board of Governors published in a timely manner
  - release of codes of conducts applicable to sensitive positions and to the new policy of Dignity at Work
  - COPEC Convention and Annual Report published
  - disclosure of details on remuneration of members of Board of Directors and Audit Committee
  - release of information of bonus system for senior management
  - release of Staff Pension Regulations, and staff benefits, such as insurances and travel allowances.
- Release of documents and information in the areas of financial reporting and controls and evaluation:
  - half-yearly summary of consolidated non-audited balance sheet and profit and loss account
  - Audit Committee's Annual report
  - Internal Audit's Charter
  - fraud measures (as agreed with OLAF and Commission's Legal Service) and revised information note on anti-fraud policy
  - more extensive information on credit risk and market risk policies
  - information on Management Control structure.
- Release of information related to banking activity:
  - Project List on the website to be as complete as possible, including: all projects outside the EU; all public sector projects irrespective of their geographic location; all projects for which OJEC published tendering procedures or an EIA requirement have already been published.
  - Project Forms to include the EIA's Non-Technical Summary or, outside the EU, the EIS (Environmental Impact Statement), as well as a link to relevant EIA documents and procurement notices.

- A project may however not appear on the list, or publication may be deferred until a later stage, if confidentiality considerations justify this.
  - MoUs and Agreements signed with Commission, subject to agreement of the Commission, and bearing in mind that some agreements may contain market-sensitive information (eg Guarantee Fund Management Agreement). *Please note that this commitment is in the process of being implemented.*
  - Framework Agreements with Partner Countries, wherever the legal framework permits and subject to banking relations constraints.
  - Release of further periodic reporting to Board of Directors on lending activity and underlying strategies and policies, eg lending to large corporates and global loans.
- Active consideration to be given to further opening up of public consultation on selected policies, essentially through the website.
  - A review of the Bank's public information policy (scheduled for 1<sup>st</sup> quarter of 2005, subject to public consultation as announced on 13 December 2004 on EIB's website).
  - The introduction and publication of an Annual Report on Corporate Responsibility.

### Good Governance

On 16 September 2004, another key document covering transparency issues was published: "**Statement on Governance at the EIB**" (<http://www.eib.org/publications/publication.asp?publ=169>).

The Statement explains the guiding principles on Governance at the Bank and was drawn up at the request made by the EIB's Board of Governors on 2 June 2004. The Statement deals with decision-making and supervisory bodies; expertise, ethics and conflicts of interest; remuneration and other benefits; external monitoring structures; financial statements and information of a financial structure; risk control; managing control; compliance; internal Audit and Financial Control Framework; and, strategy implementation and monitoring. Many of these issues are also dealt with in the "Transparency – Report and Prospects".

### Other publications in 2004, enhancing EIB's transparency

In addition to "Transparency – Report and Prospects" and "Statement on Governance at the EIB", the year 2004 saw the publication of a large number of other documents contributing to the Bank's transparency:

- Corporate Operational Plan 2004-2006
- EIB Eligibility Guidelines
- Environmental Statement; Environmental Report 2003; the Social Assessment of Projects in Developing Countries: The approach of the EIB
- Unaudited Condensed Interim Financial Statements 2004
- 2004 Report on risk management in the EIB
- Charter of Internal Audit; Audit Committee 2003 Annual Reports;
- EIB Guidelines on Fighting Corruption and Fraud
- Staff Regulations; Staff Pension schemes; COPEC (Comité Paritaire pour l'Égalité des Chances) Convention ; COPEC 2003 Annual Report.

### Relations with NGOs

The civil society is one of the EIB's key stakeholders, in particular the non-governmental organizations (NGOs) with a particular interest in the Bank's activities.

A key element of the relationship between the EIB and NGOs are the NGO Workshops, which are in principle held twice a year. Specialized EIB staff and interested NGOs come together for a full day Workshop to discuss items of common interest. They jointly set the Workshop's plenary agenda. NGOs can also arrange bilateral informal sessions with EIB staff members to discuss any item of their choice. The Workshops are organised on a regional basis to allow in particular local/regional NGOs to meet with EIB staff. The Bank's delegation normally includes specialized staff and one or more members of the Management Committee and the Board of Directors. Vice-President Peter Sedgwick chairs the Workshops.

The presentations given by EIB and NGO speakers are published on the EIB website. In 2004, the Bank held a Workshop in Warsaw, while the one planned for Cape Town (RSA) in the second half in the year was postponed until March 2005 to allow adequate preparations.

EIB staff participates in events (co-) organised by NGOs. In 2004, the EIB participated for instance in a workshop organised by CEE Bankwatch Network at the World Conference on Renewable Energy in Bonn (June), also including representatives from other IFIs, and two seminars organised jointly by MEPs (Greens) and NGOs, discussing EIB issues.

Local NGOs have an opportunity to meet with specialised EIB staff to discuss individual projects financed by the Bank. These meetings have an informal character and are in principle held in the country concerned. However, for more distant regions not frequently visited by EIB staff, the Bank meets NGO delegations elsewhere, for instance in EIB's Brussels Office. In 2004, EIB staff and Polish NGOs met twice to discuss schemes financed by the EIB under the Polish Flood Damage Reconstruction II Loan.

In 2004, the Bank received two formal complaints to its Secretary General under EIB's "Code of good administrative behaviour for the staff of the EIB in its relations with the public"<sup>1</sup>: on the Flood Damage Reconstruction Loan (Poland) and the disclosure of information on global loan allocations for renewable energy projects. On the global loans the SG concluded that EIB staff had handled the NGO enquiry appropriately, while the SG ruled on the Flood Damage Reconstruction loan that EIB staff had interpreted the request for documents in a too restricted manner. In addition, in late December the same NGO lodged two complaints against the Bank with the European Ombudsman, one regarding the above mentioned global loan allocations for renewable energy projects and the other one the D8 Motorway in the Czech Republic.

In late 2004, the team working on NGO relations in the Communication and Information Department (Secretariat General) was reinforced and renamed Civil Society Unit. As from 1 January 2005 the Unit includes three information officers and an assistant. It serves as an NGO "window" and has an overall coordinating role within the Bank with regard to NGO contacts. The Unit also deals with transparency and disclosure issues, as well as public information and communication in the environmental area.

*For more information on the EIB, visit the internet site [www.eib.org](http://www.eib.org).*

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<sup>1</sup>P The Bank's public information and disclosure policy is also subject to the complaint mechanism of the European Ombudsman.