

27 November 2009

Mr Hakan Lucius  
Head of Division

Mr Juan Manuel Sterlin Balenciaga  
Head of Unit  
Public Information and Relations with Civil Society Division  
Communication Department  
European Investment Bank

Dear Mr Lucius and Mr Sterlin Balenciaga,

I am referring to your letter of 27 October 2009 sent as a response to our letter of 19 October 2009 to President and Board Members of the Bank regarding ArcelorMittal's environmental, social and transparency records.

In your letter you wrote that the "EIB clearly does not claim that ArcelorMittal could not raise funds elsewhere. (...) The loan is eligible for EIB's finance given its innovative R&D elements, and the important preparation for the ULCOS carbon reduction initiative."

Yet, article 267 b) and c) of the EC Treaty provide that the EIB shall finance projects for modernising undertakings or projects of common interest to several Member States that "cannot be entirely financed by the various means available in the individual Member States."

Article 18 of the EIB's statute refers to the Treaty adding that the Bank shall grant loans to the extent that funds are not available from other sources "on reasonable terms".

I would therefore like to request an explanation from the EIB on the assessment the Bank carried out in relation to the loan that has been agreed to ArcelorMittal. In particular, I would like to know if the Bank considers that the project financed is for modernising the undertaking or a project of common interest to several Member States. I would also like to know how the Bank assessed the impossibility for the ArcelorMittal's project to be financed entirely by various means available in the Member States where the project will be carried out in compliance with article 267 b) or c) of the EC Treaty and the lack of reasonable character of the other sources available in the meaning of article 16 of the Bank's statute..

In other terms what has been the procedure to assess the compliance of the financing of the project with article 267 b) or c) of the EC Treaty and article 16 of the Bank's statute?

Yours sincerely,  
Anna Roggenbuck  
CEE Bankwatch Network