

Brussels, 28 May 2021

To: Emily O'Reilly, European Ombudsperson

Subject: **Revolving doors case of the EIB's Vice-President Emma Navarro**

Dear Ms O'Reilly,

We would like to raise our concerns regarding the revolving doors case of the former EIB's Vice-President Emma Navarro. We have learned that Ms Navarro has joined the Management Board of Iberdrola, a Spanish multinational electric utility company, 3 months after leaving the EIB. Iberdrola is a regulated publicly listed company, which has benefited from several EIB loans in the past years, including, inter alia, two financing agreements for €690 million in 2019, €600 million in 2020 and €100 million in a financing agreement signed in January 2021. Ms Navarro was in charge of overseeing the EIB's lending operations in Spain, including to Iberdrola.

We expect from the EIB a commitment to the highest ethical standards and this case raises serious concerns. According to the recently updated EIB's Code of Conduct, the EIB's Ethics and Compliance Committee (ECC) shall rule on any matter related to activities during the cooling-off period, which is 12 months under the same Code.

In an answer to a letter by Greens/EFA MEPs¹, the EIB shared information about the outcome of the ECC recommendations in Ms Navarro's case. Four recommendations were proposed: The ECC required Ms Navarro to commit to abstaining (i) from any business relation with the EIB Group and (ii) from lobbying activities with EIB Group governing bodies and staff during the cooling-off period, as well as to (iii) informing Iberdrola's Board of the requirements. Furthermore, the ECC recommended that (iv) there is no agreement with Iberdrola restricting Ms Navarro to declare any personal conflict of interest situation arising before the end of the cooling-off period to the ECC which shall decide on the appropriate course of action.

From our point of view, recommendations (i) and (ii) seriously fall short of what it is in the spirit of the EIB's Code of Conduct, while recommendation (iv) is merely a non-binding proposal to the private agreement between Ms Navarro and Iberdrola.

We would like to draw attention to the fact that the EIB Board of Directors amended Article 1.5 of the Code of Conduct of the Management Committee (MC) in March 2019 by incorporating additional provisions stating that the members of the MC may "maintain overall responsibility for institutional relations with their constituencies and contribute to business development in the interest of the EIB". It is our understanding that this means the Members of the MC will still

¹ We attach the letter addressed to the EIB and the answer dated 22nd of March from Marjut Falkstedt, Secretary General of the EIB and Frank Schuster, Director, Governing Bodies Department.

be politically in charge, even if the technical works and negotiations for individual projects are done by EIB staff.

This would be in contradiction to the European Parliament's position regarding possible conflicts of interest of the Members of the MC. The latest report on EIB annual activities states: "considers it important to include in the Code of Conduct of the Management Committee and the Board of Directors a provision excluding the possibility of their Members overseeing lending or the implementation of projects in their home countries".

These revolving doors scandals seriously damage the reputation of the institution. Therefore, we encourage the European Ombudsman to check whether the EIB's Code of Conduct is fit for purpose and if the recommendations issued in the case of Ms Navarro are fully compliant with the EIB standards.

We thank you for your consideration,

Sincerely Yours,

Sven Giegold and Ernest Urtasun, Greens/EFA MEPs