

EIB annual report for 2009

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The European Parliament adopted a resolution on the 2009 Annual Report of the European Investment Bank.

Parliament welcomes the changes brought about by the Lisbon Treaty, allowing more flexibility in EIB financing, including: (i) equity participations as a complement to the ordinary activities of the Bank; (ii) the possibility to establish subsidiaries and other entities, to regulate the so-called special activities and to provide wider technical assistance services; (iii) and the strengthening of the Audit Committee. The changes have also clarified the objectives of EIB financing in third countries.

Aware of the request by some Member States for the EIB to take on more risk in its financing operations, Members draw attention to the fact that this should not endanger the **EIB's AAA rating**, a key factor in enabling it to provide its loans under the best conditions. They recommend, however, considering the suggestion that **prudential regulatory supervision** should be introduced concerning the quality of the EIB's financial situation, the precise measurement of its results and compliance with the rules of sound business practice. Parliament calls on the Commission to provide Parliament, by 30 November 2011, with a legal analysis of the possible options for prudential supervision of the EIB.

1) The global financial crisis and its implications for the EIB: Parliament welcomes the Bank's focus on the three areas where the crisis has hit Europe hardest, namely SMEs, convergence regions and climate action. It recommends that the EIB's role be more **focused, selective, effective and result-oriented**. It considers that with regard to lending to SMEs, the EIB should actively disclose information through its website, in particular the amount disbursed, the number of allocations made so far, and the regions and sectors of industry to which disbursements have been made.

Parliament calls on the EIB to bring its operations fully into line with an EU objective of a swift transition to a **low-carbon economy** and to adopt a plan for the phase-out of fossil fuel lending, including its lending for coal-fired power plants, and for the redoubling of efforts to increase the transfer of renewable-energy and energy-efficient technologies.

2) EIB financing after 2013: Members take the view that the time has come for **strategic long-term investment** in Europe to be substantially increased, with a particular focus on key areas of European infrastructure and cohesion. They ask, in this connection, that the Bank's activities be more transparent to Parliament, that it be clearly accountable to Parliament and that financial instruments be used in a targeted manner bearing in mind the following objectives: simplifying procedures and maximising multiplier factors and the EIB Group's catalytic effect in order to attract public- and private-sector investors.

The resolution encourages the EIB to state a ranking of priorities in its investment projects and encourages the **extension of the blending of EU grants with EIB loans**. Members ask the Commission and the EIB therefore to present concrete proposals to create 'project bonds' and that the Parliament should be fully involved in establishing such instruments.

The EIB is also urged to invest in: (i) freight transport in the European railway sector; (ii) other Trans-European Networks of freight transport with a focus on the Mediterranean, Black Sea and Baltic Sea ports, in order to link them definitively to European markets; (iii) the Nabucco gas pipeline and other important TEN-E projects that will allow future EU energy demand to be met.

3) EIB financing outside the EU: Members take the view that, as part of its activities in the **accession countries**, the EIB should increase its focus on energy efficiency measures, renewable energy and environmental infrastructure, TENs and TEN-Es, and PPPs, in accordance with high social, transparency and environmental standards, and that, in line with EU climate objectives.

In the **field of development**, Parliament recalls that the EIB's financing strategy and operations should contribute to the general principles guiding the EU's external action, to the objective of developing and consolidating democracy and the rule of law, to the objective of respecting human rights and fundamental freedoms and to the observance of the international environmental agreements to which the European Union or its Member States are parties.

With a view to strengthening the EIB's role in development, the resolution recommends in particular: increasing the share of the participation of local actors in the projects; **additional dedicated capital** in the area of projects targeting development and the allocation of more grants. The resolution also recommends that the EIB should focus on investing in renewable energy projects in developing countries, with a particular focus on sub-Saharan Africa.

4) Offshore financial centres: Parliament considers that the EIB should update and make **stricter its policy on offshore financial centres**, going beyond the existing level playing field of OECD lists and taking into account all jurisdictions that might allow tax avoidance and evasion.

Stressing that the EIB must not participate in any operation implemented through a non-cooperative jurisdiction, as identified by the OECD, Members consider that the EIB should apply its updated and published policy on offshore financial centres in a very strict manner in order to ensure that its financing operations do not contribute to any form of tax evasion or money laundering.