European Investment Bank - 2011 annual report

2012/2286(INI) - 25/01/2013 - Committee report tabled for plenary, single reading

The Committee on Economic and Monetary Affairs adopted the report by Mario MAURO (EPP, IT) on the 2011 Annual Report of the European Investment Bank (EIB).

Members point out that a **new set of rules for economic, fiscal and budgetary surveillance and discipline** have been introduced in the EU, and especially the eurozone, in order to ensure the sustainability of public debt and that this set of rules needs to be **urgently backed up by measures designed to boost the economy**, industry, growth, competitiveness, innovation and employment, requiring the mobilisation of the EU budget and of the EIB's lending capacity and expertise.

The report focuses on three main issues:

1. Financial and economic aspects: Members stress there is a crucial need to **ensure that the EIB keeps its AAA credit rating**, in order to preserve its access to worldwide capital markets under attractive funding conditions that can be transferred to final project promoters. They believe that a further increase in the EIB's capital would be greatly beneficial to the Union in the context of its need for economic growth. They recall their insistence, as repeatedly expressed over many years, on the **need for prudential banking supervision of the EIB**. They regret that the Commission has proposed no action in this regard, despite Parliament's requests dating back to 2007.

Members welcome the **EU 2020 project bond initiative**, and call for a more rapid improvement of the pilot phase and a prompt evaluation of its achievements, with a view to starting with the second phase of the project bonds. They encourage the EIB to continue its efforts together with the Commission to **develop innovative financial instruments**, with the objectives of leveraging limited EU budgetary resources in the most efficient way, mobilising private funding sources and promoting risk-sharing instruments for financing key investments for the EU.

2. Internal and external priorities: with a view to maintaining current levels of welfare while Member States are restructuring public financing, Members encourage the EIB Group and the Commission to continue supporting the **social economy sector and young entrepreneurs.** They welcome the review of the EIB's mandate for operations outside the Union and support the EIB's focus on investing in the long-term prosperity and stability of the EU's neighbourhood, in particular the Mediterranean area and the countries preparing for EU membership, by financing support in the areas of interconnection, growth, climate change, European FDI and SMEs.

They encourage the EIB to further **improve its efforts to conduct lending operations outside the EU** and to **step up its cooperation with other global and regional development banks**, as well as the development finance agencies of Member States, in order to reduce costs and achieve more efficient use of resources.

3. Transparency: Members point to the fact that the EIB pursues its efforts against a background of weakly regulated, non-transparent or uncooperative jurisdictions, including by i): screening the AML-CFT (anti-money laundering and combating the financing of terrorism) capability of financial intermediaries used for its intermediated lending, so that they duly identify the final beneficiaries of EIB funds in accordance with applicable EU AML-CFT Directives or FATF (Financial Action Task Force) standards, as applicable; and ii): monitoring EIB disbursements through such jurisdictions. They recommend that the

implementation of EIB/EU financial instruments should be based on *ex ante* policy objectives and criteria, combined with a transparent and efficient *ex post* reporting system that will preserve the independence of the EIB as regards project selection and due diligence.