European Investment Bank (EIB) - Annual report 2012

2013/2131(INI) - 21/02/2014 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted the own-initiative report by Marian-Jean Paulo MARINESCU (EPP, RO) on the European Investment Bank (EIB) – Annual Report 2012.

It welcomed the EIB Annual Report 2012 and the EIB Board of Governors' approval of a **EUR 10 billion capital increase**, facilitating an additional EUR 60 billion (amounting to a 49 % expansion of lending targets) for long-term lending for projects in the EU in the period 2013-2015. Members asked the EIB to keep the anticipated targets in relation to its additional activity and to **unlock EUR 180 billion** in extra investments across the EU for this period.

The committee recognised that there was a crucial need to ensure that the EIB kept its triple A credit rating, in order to preserve its financial strength and capacity to inject money in the real economy. It urged the EIB, however, together with the EIF to consider **increasing its engagement in more risk-related activities,** in order to safeguard a reasonable cost-benefit perspective.

The EIB is asked to:

- support the **EU's long-term priorities** for economic and social cohesion, growth and employment, environmental sustainability, climate action and resource efficiency;
- prioritise its financing on projects that contribute strongly to economic growth;
- increase its activity under the **Risk Capital Mandate (RCM)** and the Mezzanine for Growth (MFG) mandate provided by the EIB to the EIF;
- develop, in close cooperation with the Member States, **result-driven investment plans** that are properly adjusted to national, regional and local growth priorities,;
- make public EIB **energy investments** which be analysed on an annual basis, showing what energy sources are supported by the EIB;
- in the current context of critically low **absorption rates** in many Member States, to enhance efforts to support Member States' absorption capacity of EU resources, including Structural Funds, by further developing additional joint risk-sharing instruments and by adapting the existing ones already funded by the EU budget.

More specifically, the report adressed certain recommendations to the EIB :

1) Strengthening the range of support for SMEs and mid-cap companies: the committee supported the Commission-EIB joint SME Initiative under the new MFF, blending EU funds available under the COSME and Horizon 2020 programmes, with up to EUR 8.5 billion of resources dedicated to the European Structural and Investment Funds (ESIF), in view of generating additional lending to SMEs. It invited the Bank to widen its scope of action and to make use of additional instruments in order to provide viable incentives for generating youth employment, especially in Member States with notoriously high rates of youth unemployment.

2) The EIB's contribution to EU external policies: Members emphasised, in particular, the need to maintain support to democratic and economic transitions following the Arab Spring, with specific focus on support for civil society's components, job creation and economic recovery in the Southern countries and Eastern partner countries.

3) The EIB's cooperation with other international financial institutions: the report called on the EIB and the EBRD to engage in the best possible operational coordination in terms of complementarity and division of labour, in order to research systematically the best opportunities and synergies. It called on the Banks to strengthen, their expertise, their strategic and programming approaches in the various fields of intervention.

4) The EIB's governance, compliance and control framework, through, inter alia, the development of exhaustive and sound monitoring, reporting and control systems: Members demanded that the next annual report be complemented with a set of cross-cutting performance indicators on the impact of the financing operations for the main domains of EIB interventions, and accentuated the Bank's responsibility in enhancing the level of transparency in the selection of financial intermediaries and partners for co-financed projects and as regards the final beneficiaries.