European Investment Bank (EIB) - Annual report 2012

2013/2131(INI) - 11/03/2014 - Text adopted by Parliament, single reading

The European Parliament adopted by 640 to 30 votes with 12 abstentions, a resolution on the European Investment Bank (EIB) – Annual Report 2012.

Members welcomed the Annual Report 2012 and welcomed the fact that the Council and the EIB Board of Governors' approved **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. They have 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 the aforementioned period.

Parliament has acknowledged that it is fundamental for the EIB to maintain its **triple A rating** in order to preserve its financial strength and capacity to inject money in the real economy. However, it urged the EIB 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 has been invited 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;
- enhance efforts, in the current context of critically low absorption rates in many Member States, 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.

Parliament welcomed the EIB's new energy policy, introducing **new energy lending criteria** that reflect the EU's energy and climate policies as well as current investment trends. It demanded that EIB energy investments **be made public** and be analysed on an annual basis, showing what energy sources are supported by the EIB.

In addition, it urged the EIB to step up its **low-carbon** investment efforts and to work on policies leading to more ambitious climate targets and to **update its climate change strategy** in terms of financial planning by the end of 2015.

More specifically, Parliament sent several recommendations to the EIB with a view to:

1)strengthen the range of support for SMEs and mid-cap companies: the resolution invited the EIB to identify and **select higher-value-added projects**, by identifying start-ups, micro-enterprises, cooperatives, clusters of enterprises, SMEs and mid-cap companies undertaking research, development and innovation projects in priority technologies area.

Members 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 EUR8.5 billion of resources dedicated to the European Structural and Investment Funds (ESIF), in view of generating additional lending to SMEs. They also 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) support the European Union's foreign policy objectives as conceived by the Commission and the European External Action Service:

Parliament emphasised 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) intensify cooperation with other international financial institutions: Members encouraged the EIB and EBRD to engage in the best possible operational coordination in order to research systematically the best opportunities and synergies, and to strengthen their strategic and programming approaches in the various fields of intervention;

4) further improve their governance mechanisms through, inter alia , the development of exhaustive and sound monitoring, reporting and control systems: Members have 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. They underlined 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.

Finally, it called on the EIB to report on the **state of play and status of previous recommendations issued by Parliament** in each annual report, especially as regards the impact of its lending activities in its various regions of operation on growth and job creation therein and in the EU.