European Investment Bank - 2013 annual report

2014/2156(INI) - 30/04/2015 - Text adopted by Parliament, single reading

The European Parliament adopted by 513 votes to 42, with 86 abstentions, a resolution on the European Investment Bank (EIB) - Annual Report 2013.

Parliament took note of the 2013 EIB Annual Report and the increase in the Group's financing activities by 37% to EUR 75.1 billion as well as the implementation of the capital increase of the EIB which took place in 2013.

Members were, however, concerned at the current situation of economic stalling in the EU, and in particular the **significant decline in public and private investment** – around 18% below 2007 levels – and by the staggering 35% drop in lending to SMEs between 2008 and 2013.

National projections demonstrate that nearly half of all Member States will not achieve their national targets on education schemes and greenhouse gas reductions by 2020 and that trends regarding employment and poverty reduction are even worse.

Investments: Parliament expected the European Commission's Investment Plan to foster and facilitate access to finance in Member States and regions with high levels of unemployment and a GDP per capita below the EU average.

Stressing the need for **cooperation between the EIB and the European funds** to make investments and the necessary essential infrastructure projects in the regions in difficulty, it proposes:

- to prioritise projects with **European added value** and a positive cost-benefit analysis with a significant innovation potential;
- to implementing projects which could have a **maximum impact in terms of job creation** and;
- to focus on higher-risk projects **that do not easily qualify for finance by banks**.

Recalling the importance of the Europe 2020 strategy, Parliament underlined that the future 'package' of investments should better take into account the general objectives of cohesion policy, sustainability and energy efficiency. It also underlined the necessity to enhance their **performance indicators** for quality investments as well as a **high quality governance** and selection process of projects.

The EIB is called on to play an instrumental role in financing the Investment Plan for Europe by committing **EUR 5 billion** to the establishment of the new European Fund for Strategic Investments (EFSI). Members, therefore, asked the Council, the Commission and the EIB Board of Governors to duly **assess the consistency between the new tasks assigned to the EIB within such a plan and the resources of the EIB**. Appropriate EIB involvement in the Investment Plan will require a substantial increase in EIB lending and borrowing ceilings within the next five years with a view to significantly increasing its balance sheet size, in the view of Members.

Parliament encouraged **multilateral cooperation between the EIB and the national promotional banks** in order to foster synergies, share risks and costs. It called on the Commission and the EIB to foster the inclusion of investment with a clear social benefit within its scope of action. Members reiterate their cautious support to the development of **public-private partnerships (PPPs)** which can play an important role in long-term investment, the digital economy, research and innovation, human capital, and European transport, energy or telecommunications networks.

Other recommendations: the resolution stressed the following points:

- **risk-sharing instruments** ultimately involving the provision of public subsidies should only be foreseen where there are market failures generating external costs or for the execution of missions of general interest;
- **SMEs,** the backbone of the European economy, should be a principal target for investment. Members called on the EIB to come forward with a **comprehensive plan** to ensure SMEs across Europe are encouraged to apply for funding under the auspices of the EIB wherever possible.

In addition, the EIB should:

- step up its investment efforts with a view to reducing significantly its **carbon footprint**, and to work on policies which would help the Union to reach its climate targets;
- increase its lending volume to **energy efficiency projects** in all sectors, notably where relating to process optimisation, SMEs, buildings and the urban environment;
- present an evaluation of the possibility of phasing out its lending to non-renewable energy projects;
- finance the areas most affected by high unemployment and focus its financing primarily on those countries which are lagging behind in terms of **infrastructure quality and development**, and focus its urban investment activities on social sustainability;
- provide adequate financing for **research and innovation projects** and innovative start-ups;
- accelerate implementation of this initiative of the **'Skills and jobs – Investing for Youth'** initiative and consider its broadening;
- monitor the implementation of projects in cooperation with Member States, in order to ensure greater efficiency and **sound management** of the allocated resources;
- improve transparency, assessing the economic and social impact of the loans and the effectiveness of the implementation of due diligence and ending the culture of secrecy of the EIB;
- refrain from cooperation with financial intermediaries having a negative track record in terms of transparency, tax evasion or aggressive tax planning practices;
- not cooperate with **entities operating out of secrecy jurisdictions**;
- assess the possibility of **increasing external financing** towards the EU's Eastern and Southern Mediterranean neighbourhood within the current mandate.

Lastly, Members called for the EIB and Parliament to set up a **platform for dialogue** between the EIB and the relevant Parliament Committees. On this basis, the EIB should come to Parliament to report and discuss on EIB progress and activities on a quarterly basis.