Annual report on the financial activities of the European Investment Bank

2016/2099(INI) - 30/03/2017 - Committee report tabled for plenary, single reading

The Committee on Economic and Monetary Affairs adopted an own-initiative report by Georgios KYRTSOS (EPP, EL) on the Annual Report on the Financial Activities of the European Investment Bank.

The Committee on Budgets, exercising its prerogative as an associated committee in accordance with Article 54 of the Rules of Procedure, also gave its opinion on the report.

Investment in the EU: the report stressed the urgent need for the EIB to participate in the **reduction of the investment gap** on the basis of sound economic criteria. The current context should encourage the bank to adopt more ambitious objectives and to increase lending signed by it.

Members took the view that an **increase in EIB lending activity** could be achieved through better synergies with public funds, which would in turn boost public and private investment. They stressed that such an increase should be accompanied by a corresponding diversification of the EIB's product range, including a greater and fiscally prudent use of public-private partnerships (PPP).

The EIB should give priority to **innovation-based projects** and give support to indigenous energy sources. It should also use a wide range of financial instruments to support public and private investment in **transport**.

Members underlined that combating all forms of harmful tax practices should remain an important priority of the EIB.

The EIB is invited to present a comprehensive assessment of the potential impact that the UK's decision to leave the EU might have on its financial status and activities.

Supporting SMEs: Members supported the emphasis placed by the EIB on the financing of small and medium-sized enterprises (SMEs), with 37 % of the new lending granted in 2015 (EUR 28.4 billion). The EIB's support for microfinance was particularly successful, with just EUR 184 million microcredits sustaining 230 500 jobs in microenterprises.

The EIB is called upon to:

- target and report not only jobs sustained, but also jobs created by its funding activities, and aim at complying with ILO standards;
- devise a strategy to increase their financing in countries with unfavourable economic and banking environments; particular attention should also be paid to competitive and agile very small enterprises in need of financing, micro-enterprises and micro-entrepreneurs.

Innovation and competitiveness: Members welcomed the strong increase in EIB lending to innovative projects, which stood at EUR 18.7 billion in 2015, as compared to less than EUR 10 billion in 2008. They suggested increasing this lending to focus on the development of technologies for the future, such as energy-efficiency transport, robotics, the bio economy, the digital economy and new medical treatments for a better life.

Tackling youth unemployment: the report called on the EIB to develop its strategic planning programme in order to tackle high levels of unemployment and continue to invest in education and human capital in order to equip young people with the necessary set of skills to provide them with access to finance linked to the employment of young people in SMEs and mid-caps.

The EIB should relax the conditionality for benefitting firms in regions with youth unemployment above 25 % so as to boost young entrepreneurship and support firm creation.

Climate action: Members called on the EIB to step up its involvement in the fight against climate change, which was linked to 27 % of the projects approved in 2015 and accounted for a total investment of EUR 20.6 billion – the largest ever annual amount invested in climate change by the EIB.

The EIB is encouraged to support sustainable and innovative transport solutions, to continue to promote accessibility for passengers with reduced mobility, to invest in **clean energy** and in modern transport services through specialised funding tools, such as the European clean transport facility and to support investment in sustainable urban mobility, ideally based on **sustainable urban mobility plans**.

Refugee crisis and migration within the EU: Members asked the EIB to continue its action to tackle migrant and refugee flows by financing **emergency projects in destination and transit countries** and, where possible, by making long-term commitments to projects which aim to create jobs and boost growth in the countries of origin. The EIB is also invited to continue its social housing project lending.

The report welcomed the EIB's commitment to tackle the phenomenon of forced migration and to take action in countries particularly affected by the migration crisis. It called on the EIB to rapidly implement the 'Migration for ACP countries' package.

External lending mandate: Members recalled that the external policy of the EIB, and in particular the regional technical operational guidelines, should be consistent with the **external action goals of the EU**. They insisted on the coherence and streamlining of all EU external action financial instruments.

The EIB is invited to:

- reinforce its capacity to assess projects according to their impact on Agenda 2030 goals;
- ensure, as regards its development operations under the Cotonou Agreement, compliance with EU treaty obligations, with the EU Strategic Framework and Action Plan for Human Rights, with the European Charter of Fundamental Rights;
- improve the ex-ante and ex-post assessment of the impact of its projects outside the EU and take account of the local context when investing in third countries;
- increase transparency and accountability due to the EIB's Results Measurement (ReM) Framework;
- provide Parliament with an annual overview of payment deferrals and losses incurred in its sustainable development funding;
- focus its attention closely on developing countries, particularly those suffering from conflict and extreme poverty.

Lastly, the Commission is called upon to establish a framework for annual reporting by the EIB on its operations outside the EU as regards compliance with the general principles guiding the Union's external action.