Annual report on the control of the financial activities of the EIB for 2015

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The Committee on Budgetary Control adopted an own-initiative report by Nedzhmi ALI (ADLE, BG) on the annual report on the control of the financial activities of the EIB for 2015.

It made the following recommendations:

Enhancing the sustainability of the EIB's investment policy: while welcoming the EIB's annual reports for 2015, the report called on the EIB to further refine and provide information on the concrete and achieved economic, social and environmental impact, and added value, of its operations in the Member States and outside the EU.

Members strongly encouraged the EIB to continue its efforts to overcome investment, market and sectoral gaps and to invest in projects and operations which have **real added value** for achieving greater EU economic, social and territorial cohesion, a stronger investment environment, higher employment and the return of sustainable growth across the EU.

The EU should in particular:

- **better anticipate structural challenges**, notably those related to Europe's re-industrialisation and the knowledge-based and digital economy, in order to generate new economic opportunities, innovation, the development of a circular economy and better use of renewables;
- assess funded projects not only in terms of economic relevance but also with an equally strong focus on environmental and social sustainability;
- step up the dissemination of their financing possibilities, as well as their support and advice, to increase funding for projects of local and regional authorities and SMEs;
- take account of the **less developed countries** and regions given that 73 % of the EIB's total lending for 2015 is concentrated in six Member States.

Members considered it fundamental that the EIB keep its **triple-A rating** in order to preserve its access to international capital markets under the best borrowing conditions.

Monitoring the EIB's impact in the implementation of key public policy areas: Members regretted that there is no information provided in the 2015 Annual Report on the EIB operations inside the EU about expected and achieved results from the Bank operations with regard to its two cross-cutting policy objectives, namely climate action and cohesion; is concerned that in 2015 the EIB **did not reach the envisaged level of 30 % investments** for cohesion (25.2 % achieved inside the EU).

The EIB is called upon to reinstate economic, social and territorial cohesion as a primary public policy goal and to start explicit reporting on its implementation and to continue to define its monitoring indicators, more specifically indicators of additionality.

Funding schemes for SMEs: Members noted that the EIB's support to SMEs accounted for approximately 36.6 % of its funding in 2015, triggering a leverage effect of EUR 39.7 billion for SME finance and supporting 5 million jobs. They welcomed the EIF efforts to make the SME Initiative work.

They also welcomed the European Investment Fund's efforts to make the SME Initiative work currently in six countries (Spain, Italy, Bulgaria, Finland, Romania and Malta), as well as the proposal of the Commission to prolong the SME Initiative until 2020.

The EIB is invited to **increase its intervention risk profile**, especially when supporting SMEs which are taking risks or evolving in economically disadvantaged regions.

Members also recommended that the EIB should:

- continue to support infrastructure agenda based on efficient projects of common interest in the transport and energy sectors with their own resources and by implementing the Debt Financial Instruments under the Connected Europe Facility;
- continue to pay particular attention to **investments in R&D** (loans to innovative projects in 2015 amounted to a record level of EUR 18.7 billion);
- **strengthen cooperation** with national, regional and local authorities together with National Promotional Banks and Institutions in order to create more synergies between the ESI Funds and EIB financing instruments and loans;
- focus its **climate action** on the sustainability of cross-sector projects in the context of the COP21 targets and to support the expansion of renewable energies;
- **support EU external policies** and emergency response related to the global challenge of migration;
- pay particular attention to the **principle of additionality** and to provide relevant qualitative management information on the implementation of the European Funds for Strategic Investment (EFSI) stated objectives; the widest possible geographical spread should be considered in the implementation of the EFSI pipeline for the benefit of cohesion and sustainability objective.

Lastly, Members considered that the enhanced economic role of the EIB, its increased investment capacity and the use of the EU budget to guarantee the EIB's operations must be accompanied by **greater transparency and deepened accountability** so as to ensure genuine public scrutiny of its activities, project selection and funding priorities.