Financial activities of the European Investment Bank. Annual report

2017/2071(INI) - 08/02/2018 - Text adopted by Parliament, single reading

The European Parliament adopted by 493 votes to 89, with 44 abstentions, a resolution on the annual report on the financial activities of the European Investment Bank (EIB).

Stressing that the EIB maintained a **solid financial standing in 2016** in accordance with the forecast for that year, with a net annual surplus of EUR 2.8 billion, Members called on the EIB to **continue to strengthen its efforts** to expand its loan activities effectively by providing technical assistance and advisory support, especially in regions with low levels of investment, in order to address regional discrepancies, while reducing administrative burdens for applicants.

The economic crisis has significantly weakened economic growth in the EU. In this regard, Members expect the EIB to continue to work with the Commission and the Member States to address systemic shortcomings that prevent certain regions or countries from taking full advantage of the EIB's financial activities.

Parliament welcomed the EIB Group's willingness to enhance EU competitiveness, provide real support for growth and job creation, and contribute to solving socio-economic challenges within and outside the EU. It said that in order to achieve the objectives of the Europe 2020 strategy, the EIB Group's activities should not only be economically sustainable, but also contribute to a **smarter, greener and more inclusive EU**.

Climate change: Parliament pointed out that the EIB has had very mixed results on climate action, despite meeting its 25 % target by a slender margin overall.

Members called on the EIB to **align its activities with the objectives of the Paris Agreement** by phasing out all fossil fuel projects and giving priority to energy efficiency projects and projects involving renewable energy sources. The EIB should also extend its financial support to local sustainable energy sources in order to put an end to Europe's high level of external energy dependence and ensure security of supply.

Brexit: the United Kingdom provided 16.11 % of the EIB's capital, accounting for EUR 3.5 billion of the paid-in capital and EUR 35.7 billion of the bank's callable capital. The resolution stressed the importance of **clarifying the amount of the UK contribution to the EIB budget** as well as the UK's future economic participation. It called for Member States to make sure that the departure of the UK does not result in a loss of the EIB's ability to support the EU economy.

Eastern and Southern neighbourhood: the resolution underlined the importance of EIB financing activities in the eastern and southern neighbourhood in supporting those countries which are implementing difficult economic and democratic reforms on their path towards the EU. It recalled that the main financing activities should also aim to address both urgent needs and longer-term challenges, such as rebuilding infrastructure, ensuring adequate housing and emergency response infrastructure and combating youth unemployment.

Migration: Parliament welcomed the EIB's commitment to tackle the root causes of migration and to taking action in countries particularly affected by the migration crisis. It called for an increase in financial assistance for projects that would help mitigate the economic costs associated with the migration crisis

while having a positive impact on citizens, refugees and other migrants in Member States that receive the largest inflows of refugees and migrants.

European Fund for Strategic Investments (EFSI): welcoming the agreement reached on the prolongation and adjustment of the EFSI, Members expect that the revised fund and the enhanced European Investment Advisory Hub will enable the problems identified in the current scheme, namely in relation to additionality, sustainability, climate action, geographic balance and advisory hub activities, to be overcome.

Cohesion policy: Parliament emphasised that the EIB, as a public financial institution which finances projects aimed at fulfilling EU policies and priorities, should contribute to economic, social and territorial cohesion, including in less developed regions. It stressed the need for broader territorial distribution of funds, including as regards the European Fund for Strategic Investment, which should always be complementary to the ESI funds, in order to achieve the objective of reducing regional disparities.

The EIB should play an **enhanced role** for the EIB in financing social entrepreneurship and start-ups, social infrastructure growth acceleration, renewable energy, energy efficiency and circular economy projects.

Compliance: Members called for country-by-country reporting without exemptions to be made a key part of the EIB's corporate social responsibility strategy. They called on the EIB to comply with the relevant standards and applicable legislation on the prevention of money laundering and on the fight against terrorism, tax fraud and tax evasion.

Transparency: Members reiterated their call to strengthen the EIB group's overall corporate accountability and credibility. They called for the signing of an interinstitutional agreement between the EIB and Parliament on the exchange of information, including the possibility for Members to address written questions to the President of the EIB.

The EIB is called on to publish all relevant documents regarding **loans to the automotive industry** for the development of diesel technology and explain the extent to which loans were made to car companies found to have manipulated emissions.

Financial activities: the resolution stressed that the EIB Group's financial instruments should serve projects chosen on the basis of their **own merits**, their potential to generate added value for the EU as a whole, and effective additionality. It insisted on the need to maintain its high credit standing.

Lastly, Members called on the EIB Group to further **develop its risk culture** in order to improve its effectiveness and the complementarity and synergies between its interventions and various EU policies, in particular by supporting innovative companies, infrastructure projects and SMEs that are taking risks or evolving in economically disadvantaged regions or regions that lack stability.