Annual report on the financial activities of the European Investment Bank

2018/2161(INI) - 17/01/2019 - Text adopted by Parliament, single reading

The European Parliament adopted by 316 votes to 118, with 82 abstentions, a resolution on the Annual Report on the financial activities of the European Investment Bank.

Members congratulated the EIB on 60 years of successful operations, during which it has invested EUR 1.1 trillion and financed 11 800 projects in 160 countries as the world's biggest multilateral borrower and lender.

They highlighted the opportunities for the EIB to shape markets in line with EU policy objectives and recognised the EIB's capability to invest counter cyclically in order to address underdevelopment and recession resulting from the financial crisis and difficulties in accessing finance for SMEs and innovative projects.

700 000 SMEs are set to benefit from improved access to finance. According to estimates, the EFSI operations have already supported more than 750 000 jobs, a figure set to rise to 1.4 million by 2020, and that the Juncker Plan has already increased EU GDP by 0.6 % and is set to increase it by a further 1.3 % by 2020.

Parliament called for the strengthening of the EIB's advisory activities and for it, together with the Commission, the Member States and national official promotional financial institutions, to address the systemic shortcomings that prevent certain regions or countries from taking full advantage of the EIB's financial activities.

Continue investments

Given the positive role played by the EIB in reducing the investment deficit, Parliament called on the EIB to invest more in Member States in order to contribute to the recovery of their economies, particularly in the innovation and infrastructure sectors, where the investment deficit is particularly high. Particular attention should be paid to the risk of crowding out private investment now that economic conditions are normalising.

Noting that almost a third of EIB funding is dollar-denominated, exposing it to potential US sanctions, Members asked the EIB to start progressively reducing its funding in dollars.

Environment and sustainability

Parliament welcomed the fact that in 2017 the EIB lent EUR 16.6 billion for projects supporting its environment policy goals and committed to climate loans more than 25 % of total lending across all its public policy areas, exceeding its initial commitment by 3.2 %. Members also welcomed:

- the EIB's first issuance of Sustainability Awareness Bonds, amounting to EUR 500 million, which will be dedicated to high-impact projects in support of the UN Sustainable Development Goals while ensuring the confidence of socially responsible investors through rigorous transparency and market standards;

- the creation of the Smart Finance for Smart Buildings initiative, the aim of which is to make investments in energy efficiency projects in residential buildings more attractive to private investors through the intelligent use of EU grants as a guarantee;

- the fact that the EIB has recently started to invest in social housing.

The EIB was called on to:

- maintain loans supporting European energy policy objectives;

- further enforce projects connected with climate change and environmental protection, given that the EU is a signatory of the Paris Agreement and recalling the EU's commitment to reduce its emissions by at least 40 % by 2030;

- work with small market participants and community cooperatives in order to undertake bundling of small-scale renewable energy projects, thus enabling them to be eligible for EIB funding.

Lending outside the EU

Members believe that the EIB should to continue to play a leading role in setting up future EU financing mechanisms for third countries and maintain its existing foreign policy activities, including through instruments such as third country lending mandates.

They recalled that the EIB’s activities must reflect the EU’s internal and external policies and urged it to invest significantly in the environmental transition in the Eastern Neighbourhood countries. They also called for funding to be divested from projects posing serious risks to the environment and natural resources.

The EIB should greatly strengthen the arrangements for providing technical assistance and financial expertise to local and regional authorities before project approval, in order to improve accessibility and involve all Member States, especially those with a lower success rate in terms of projects approved.

Tax Compliance

Parliament welcomed the progress that the EIB has made in adopting the highest standards with a view to preventing tax fraud, tax evasion, money laundering and terrorist financing, as well as tax avoidance and aggressive tax planning, by fully applying EU policies and standards. It called on the EIB to end cooperation with intermediaries, countries and jurisdictions that are on the EU’s list of non-cooperative jurisdictions for tax purposes.

Brexit

Members urged the Brexit negotiators to agree on a deal regarding the gradual phasing-out of the UK from the EIB portfolio built up with UK participation, the reimbursement of the UK’s paid-in capital, and continuation of the protections extended to the EIB and its assets in the UK. They also stressed that the AAA-rating of the EIB must not be affected by the withdrawal of the UK from the EU.

Transparency

Parliament invited the EIB and its stakeholders (i) to reflect on the reforms needed to ensure the democratisation of its governance, increased transparency and sustainability of its operations; (ii) to intensify its communication efforts. It considered it essential to engage in a dialogue with EU citizens in order to better explain the purpose of its policies.