Financial activities of the European Investment Bank - annual report 2019

2019/2126(INI) - 10/07/2020 - Text adopted by Parliament, single reading

The European Parliament adopted by 527 votes to 67, with 91 abstentions, a resolution on the financial activities of the European Investment Bank (EIB) – annual report 2019.

The resolution highlighted the importance of the EIB's activities, as the Union's bank, in raising current levels of investment in the Union in order to fulfil the EU’s sustainability, economic, social and job creation ambitions or to achieve regional cohesion, innovation and competitiveness at EU level as well as financing at the local level.

Members believe that the EU and Member States must invest more in the fight against climate change, in the digital revolution and in public services. They welcomed the coordinated EU response to the COVID-19 pandemic and reiterated the need for urgent action to transform our economies and mitigate the social and economic impact of the crisis.

An EIB more focused on climate and a just transition

Welcoming the fact that in 2018, 29 % of the EIB’s lending was climate-related, Parliament welcomed the fact that the EIB is the world's largest issuer of green bonds and a pioneer in launching the successful green bonds which have raised more than EUR 23 billion over 11 years. It called on the EIB to expand the issuance of green bonds while stressing the importance of establishing common standards for these new bonds to ensure that projects are transparent, verifiable and measurable.

Members called on the EIB: (i) to fulfil its commitment to align all its actions with the EU's objective of achieving climate neutrality by 2050 at the latest; (ii) to play an important role in sustainable finance; and (iii) to prioritise, through its lending activities, the implementation of the Sustainable Development Goals (SDGs) of the UN 2030 UN Sustainable Development Agenda by mobilising additional investment in social, green and sustainable projects.

The EIB is invited to:

- include clauses in financing documentation requiring the beneficiaries of its loans to undertake to fully deliver any decarbonisation objective that may have been included in their loan application;

- implement the principle of energy efficiency in all its energy lending;

- confirm that it will not carry out any assessment of fossil fuel projects not submitted to it before 14 November 2019;

- finance innovation and green technology for aviation in order to decarbonise aviation and achieve the main objective of the Paris agreement;

- further develop biodiversity proofing components in its financial instruments;

- work with small market players and cooperatives to consolidate small-scale renewable energy projects.

Parliament called for new policies in the carbon-intensive industrial sectors in which the EIB is active, such as cement, petrochemicals and steel, focusing on the sustainability of these sectors.

The EIB's role in the European Green Deal and the Just Transition Mechanism

Members encouraged the EIB to support projects aimed at facilitating a just transition in Member States and supporting the most affected regions (coal-mining regions, carbon-intensive regions, etc.), taking into account the different capacities and economic situations of Member States. They stressed the need for a participatory approach to ensure that all parts of society benefit from this transition.

The EIB is invited to present a fair, coherent and inclusive plan, in consultation with Member States and regions, to effectively mobilise private and public resources and promote the transition to a greener economy.

Small and medium-sized enterprises (SMEs) and mid-caps

The resolution welcomed the EIB's significant financial support for SMEs, with a total investment of EUR 23.27 billion in 2018, benefiting 374 000 companies and 5 million employees.

Members believe that support for SMEs and mid-caps should remain a fundamental objective of the EIB, and called for greater emphasis on SME financing in order to reduce the funding gap for these companies. They also called for an increase in the EIB's capitalisation to allow for longer-term loans and innovative instruments for financing projects that can bring about improvements in the social field, sustainability and innovation.

Parliament suggested that the EIB should make its SME portfolio greener, for example by earmarking higher shares to greener projects.

Lending outside the EU

Members welcomed that the EIB is active in more than 130 countries outside the EU, lending to projects to support EU external cooperation and development policies. They urged the EIB, the largest multilateral lender in the world, to:

- maintain its leading role in future EU financing and to foster sustainable finance outside Europe, maintaining a key role in the establishment of EU financing mechanisms for third countries;

- make full use of contractual clauses enabling it to suspend disbursements in cases of projects' non-compliance with environmental, social, human rights, tax and transparency standards;

- provide more comprehensive and regular information on the redistribution of loans by financial intermediaries.

Governance

Parliament called on the EIB to review its transparency policy in 2020 with a view to the timely publication of more ample information on all its financing activities, so as to ensure that its transparency policy is compliant with its social, climate and environmental commitments. The EIB should strengthen its contractual clauses with its clients, for example regarding fraud and corruption as well as stakeholder engagement and public consultation processes related to the projects it finances.