Control of the financial activities of the European Investment Bank - annual report 2018

2019/2127(INI) - 10/07/2020 - Text adopted by Parliament, single reading

The European Parliament adopted by 531 votes to 80, with 80 abstentions, a resolution on the control of the financial activities of the European Investment Bank - annual report 2018.

Main results of EIB financing activities in 2018

Parliament noted that the EIB Group provided more than EUR 64.19 billion in financing in 2018 and that 854 projects were signed, with the five largest beneficiary Member States being Greece (1.01%; EUR 1.87 billion), Cyprus (1.01%; EUR 0.21 billion), Portugal (0.98%; EUR 1.98 billion), Croatia (0.98%; EUR 0.51 billion) and Poland (0.97%; EUR 4.79 billion). These five Member States received 52.9% of the financial investments signed.

Members called for primary public policy objectives to be fully aligned with the recent update of the EU's policy priorities to reflect new economic trends and the transition to a new sustainable economic model aimed at social fairness. They also called for a balanced geographical distribution of investments to take into account the level of development and cohesion aspects of the countries and region

EIB investment policy priorities and the sustainability of its business model

Stressing the political momentum to make the EIB a 'climate bank', Parliament called on the EIB to take into account all risks that may affect the environment in large-scale infrastructure projects and to finance only those that have been proven to provide real added value for the local population and in environmental, social and economic terms.

The EIB should focus on small decentralised projects and take into account local stakeholders, including civil society, regarding the impact of investments on the local environment.

EIB's role in financing the European Green Deal

Members considered that the EIB should be a key financial pillar of the Green Deal. They welcomed the issue of EUR 4 billion of climate-responsible bonds in 2018 as well as the issue of EUR 500 million of sustainability awareness bonds. They stressed the need for an EU Green Bond Standard.

Parliament recalled the commitments made by the EIB President at the UN climate summit in September 2019, namely: (i) to align all EIB financing activities with the objectives of the Paris agreement by the end of 2020; (ii) to devote at least 50% of EIB financing to climate and environmental sustainability by 2025; (iii) to make available EUR 1 000 billion for climate and environmental investments by 2030.

Parliament called for these ambitious commitments to be translated into concrete measures. It called on the EIB to draw up a roadmap with specific, measurable, realistic and time-bound targets for the implementation of the Paris agreement. It welcomed the decision to stop lending to fossil energy projects by the end of 2021.

The resolution called for (i) a new transport financing policy to decarbonise the European Union's transport sector by 2050, (ii) new policies in carbon-intensive industrial sectors in which the EIB is active, such as cement, petrochemicals and steel, with the aim of prioritising the sustainability of these sectors.

EIB's operations outside the European Union

Members reiterated that the implementation of sustainable development objectives should be at the heart of the Union's concerns in the coming years. They called on the EIB to continue its support for the Union's external policies and emergency response mechanisms such as the Economic Resilience Initiative as part of the European response to migration issues.

Parliament welcomed the fact that human rights principles are fully integrated into the Bank's key procedures and standards of due diligence. It reiterated that investments in third countries should also aim to maintain sustainable economic growth generated by the private sector, support the fight against climate change and reduce poverty through job creation and improved access to productive resources.

European Strategic Investment Fund's functioning (EFSI)

Parliament called for an objective overview of the additionality, economic, social and environmental impact and real value added of projects supported by EFSI, as well as their consistency with EU policies or other EIB operations, so that they are based on strategic rather than demand-driven objectives.

Members called for a better synergy between EFSI, national promotional banks and investment platforms to improve EFSI's overall effectiveness.

EIB Governance, transparency and accountability

Parliament recommended adapting the bank's approach and related quality controls in the Bank entities to address adequately compliance risks and to support the full deployment of Results Based Budget principle within the EIB and the EIB Group.

The EIB was also invited to

- disclose details on the beneficial ownership of its customers on its website with a view to increasing the visibility of its operations and helping prevent cases of corruption and conflicts of interest;

- make the disbursement of direct and indirect loans conditional on the publication of country-by-country tax and accountancy data, and on the disclosure of information on beneficial ownership by the beneficiaries and financial intermediaries involved in financing operations;

- cooperate to the best of its ability with OLAF and the European Public Prosecutor's Office;

- increase its accountability towards other EU institutions by strengthening Parliament's scrutiny over the EIB and giving the European Court of Auditors full powers to audit EIB operations.

Parliament supported the disclosure of accurate information on how the EIB's strategy is implemented and on the sustainability or climate impact of its products and portfolios.