Financial Activities of the European Investment Bank - annual report 2020

2020/2124(INI) - 07/07/2021 - Text adopted by Parliament, single reading

The European Parliament adopted by 582 votes to 62, with 48 abstentions, a resolution on the financial activities of the European Investment Bank (EIB) - Annual Report 2020.

The EIB took on a significant role in mobilising finance for the economy, in particular small and medium-sized enterprises (SMEs), following the economic fallout caused by the COVID-19 pandemic which began in 2020. Parliament underlined its crucial role in targeting investments to achieve European priorities and sustainable economic growth, in particular those that would not otherwise be ‘bankable’, both inside and outside the EU, with a view to meeting the global challenges of the coming decades, in particular the fight against climate change.

Mobilising funds to combat the COVID-19 pandemic

Parliament welcomed the EIB's:

- rapid mobilisation of up to EUR 40 billion in emergency funding to tackle the COVID-19 outbreak, through loans and measures to alleviate the liquidity of SMEs and mid-cap companies;

- the subsequent creation of the EUR 25 billion European Guarantee Fund in response to the prolonged impact of the COVID-19 crisis and its potential operation beyond 2021;

- the creation of a EUR 6 billion investment instrument to support health sector financing and a targeted funding initiative of up to EUR 5.2 billion in response to the COVID-19 pandemic to support countries outside the EU;

- participation in COVAX, with an investment of EUR 400 million in the COVAX Advanced Market Commitment**.**

Becoming the EU climate bank

In 2020, 40% of EIB lending was environment and climate related. Members welcomed the fact that the **EIB is the world's largest issuer of green bonds**, having raised EUR 34.6 billion in climate-awareness bonds over the past 12 years. They called on the EIB to continue and to expand the issuance of green bonds to enhance the liquidity of that market and to remain involved in the development of an EU green bond standard.

The resolution welcomed the EIB's leadership on climate and the decision to increase EIB financing for climate action and environmental sustainability, including renewable energy, from around 30% to at least 50% by 2025. It approved the EIB's new energy lending policy and its commitment to end investment in fossil fuels by the end of 2021.

Members welcomed the adoption by the EIB's Board of Directors of the **EIB's ambitious climate roadmap for the period 2021-2025** and the inclusion of the shadow carbon pricing mechanism in particular, which provides a crucial framework to support the transition and implementation of the European Green Deal and marks a decisive step towards making the EIB the EU Climate Bank.

Parliament called for the swift adoption of a new transport financing policy strategy aimed at decarbonising the EU transport sector by 2050 at the latest and promoting accessible, efficient, green and safe means of transport.

Support for innovation, SMEs, industry and digitisation

European SMEs are lagging behind in the adoption of digital technologies, with only 66% of EU manufacturing companies adopting at least one digital technology. In this regard, the EIB is invited, *inter alia*, to:

- mobilise sufficient support for infrastructure towards delivering faster internet speed to all regions in the EU and bridging the existing digital divide;

- continue to support the development of e-skills and upscale lending to female-led SMEs;

- support for advancing digital skills, in particular for employees in sectors of the economy in need of adjustment and requalification;

- support projects in the Member States which deliver on the implementation of the European Pillar of Social Rights, the SDGs and the social reforms identified in country specific recommendations under the European Semester;

- increase its investment in education to help mitigate the severe impact of the COVID-19 crisis on education systems worldwide.

Supporting development and sustainability outside the EU

The EIB is the world's largest multilateral lender. It has been active outside the Union for more than 50 years, with EUR 150.1 billion in loans in 150 different countries by the end of 2020, of which EUR 10.23 billion was signed in 2020.

As all EIB shareholders have endorsed the G20 commitment to **suspend the debt of 77 countries following the COVID-19 debt crisis**, the EIB is called upon to apply the same treatment to its pending loans and to publicly support the creation of a multilateral debt workout mechanism to deal with both the consequences of the current crisis and the financing needs of the 2030 sustainable development agenda.

Members insisted on the need to align EIB investments in third countries with the EU's external action and sustainable development priorities.

Parliament called on the EIB to increase its engagement in least developed countries and those experiencing conflict, enhance cooperation with EU delegations, and increase its presence on the ground with additional staff focusing on development issues.

Delivering on governance, accountability, transparency and integrity

Members reiterated their call for an inter-institutional agreement between the EIB and Parliament to improve access to EIB documents and data and to enhance democratic accountability. In the meantime, Parliament proposed the establishment of a protocol of cooperation between the EIB and Parliament, with immediate effect, in order to improve interinstitutional dialogue and enhance the EIB's transparency and accountability.