Control of the financial activities of the European Investment Bank - annual report 2020

2021/2235(INI) - 07/07/2022 - Text adopted by Parliament, single reading

The European Parliament adopted by 492 votes to 42, with 36 abstentions, a resolution on the control of the financial activities of the European Investment Bank – annual report 2020.

Performance of EIB financial operations

In 2020, the EIB's new loan signatures amounted to **EUR 66.1 billion**. The largest share went to Italy, Spain and France (15%, 13% and 11% respectively of total signatures) and the **transport, global loans and energy sectors** were the main beneficiaries (with 29.3%, 20.5% and 14.9% respectively). The COVID-19 pandemic significantly changed the EIB's disbursement profile in 2020, with more than 50% of the target reached in the first half of the year (EUR 58.3 billion in 2020).

Members reiterated their call for a fair and transparent geographical distribution of projects and investments, with a focus on less developed regions, especially in the areas of innovation, digitalisation and infrastructure.

Parliament expressed satisfaction with the EIB's role as the **largest supranational issuer of green and social use-of-proceeds bonds.** Also in 2020, the EIB marked a record of EUR 10.5 billion equivalent issuance in sustainability debt products.

Members stated that the performance of the overall loan portfolio remained good, with only 0.4% impaired loans at the end of 2020.

The EIB is called upon to: (i) prioritise the implementation of the **Sustainable Development Goals** (SDGs) of the UN 2030 Agenda for Sustainable Development through its lending to social, environmental and sustainable projects; (ii) play an active role in supporting projects that contribute to a **just transition**, such as research, innovation and digitalisation, access to finance for SMEs, as well as social investment and skills.

Actions related to the COVID-19 pandemic

Parliament stressed that the COVID-19 pandemic did not have a significant direct financial impact on the EIB.

The EIB provided financing for investments in the healthcare sector, including European companies involved in vaccine research and the development of therapeutic and diagnostic solutions to combat COVID-19. The EIB's signatures in the healthcare sector at the end of 2020 amounted to EUR 5.2 billion, including EUR 175 million for applied research into COVID-19 vaccines.

Parliament welcomed the EIB's role in the success of BioNTech's COVID-19 vaccine with the signing of a EUR 100 million loan facility in June 2020. At the same time, the EIB has supported global COVID-19 vaccine distribution programmes, particularly in developing countries. Members welcomed the establishment of the Pan-European Guarantee Fund, a new instrument in the EIB's portfolio to provide up to EUR 200 billion in additional financing.

EIB support in key policy areas

Parliament noted that for most of the period under review, the EIB attained its annual cohesion financing targets, although with increasing difficulty in the most recent years:

- EIB cohesion lending from 2014 to 2020 totalled EUR 123.8 billion and that in 2020 alone, this lending amounted to EUR 19.5 billion;

- in 2020, the EIF launched the Skills Education Guarantee Pilot to stimulate investments in **education, training and skills**, and that the initiative is well-suited to addressing the upcoming needs of labour markets, having specific regard to the digital and green transitions;

- in 2020 alone, the EIB invested around EUR 24.2 billion (2019: EUR 19.3 billion) in **climate action** and that, exceeding its initial target of 28 %, it reached a record level of 37.4 % climate financing, thus confirming the EIB as the largest multilateral financer of climate action.

Parliament welcomed the EIB's **revised environmental and social standards** in the new Environmental and Social Sustainability Framework, particularly those relating to workers' rights, biodiversity and environmental protection. The EIB is bound by the Charter of Fundamental Rights of the European Union and **human rights principles** are fully integrated into project-level due diligence procedures and standards, including the possibility to suspend disbursements in case of serious human rights violations.

The EIB is invited to:

- support the development of transport infrastructure projects, including railways and motorways, that are sustainable, environmentally friendly and capable of contributing to the fight against territorial and social disparities between regions and countries of the Union;

- increase its funding to boost the technological transition, support the development of skills adapted to the current and future labour market needs, further promote investment in digital skills for employees and entrepreneurs, digital infrastructure and capacity building for digitalisation, provide funds for long-term research and innovation to SMEs, support the social economy and enhance social and territorial cohesion;

- define a specific human rights strategy and an action plan for its implementation.

Enhancing transparency and accountability in the EIB's corporate governance and activities

Parliament called on the EIB to be more transparent in its activities by adopting a transparency register. It called for greater accountability and transparency, especially towards the Union's institutions and in particular the Parliament. It reiterated its call for greater transparency in EIB operations carried out by financial intermediaries such as commercial banks and investment funds.

Members called on the EIB to continue to take stock of the recommendations previously made by Parliament in its annual resolutions, in particular as regards actions adopted to strengthen the **prevention of conflicts of interest** and measures to enhance transparency regarding the duty of care with regard to the integrity of clients, in order to prevent tax evasion, fraud and corruption.