Basic information

2016/2098(INI) INI - Own-initiative procedure	Procedure completed
Annual report on the control of the financial activities of the EIB for 2015 **Subject** 8.40.07 European Investment Bank (EIB) 8.70.03 Budgetary control and discharge, implementation of the budget	

Key players

European Parliament

Committee responsible	Rapporteur	Appointed
CONT Budgetary Control	ALI Nedzhmi (ALDE)	07/06/2016
	Shadow rapporteur NOVAKOV Andrey (PPE) PIRINSKI Georgi (S&D) FITTO Raffaele (ECR) FLANAGAN Luke Ming (GUE/NGL) TARAND Indrek (Verts/ALE) VALLI Marco (EFDD)	

Committee for opinion	Rapporteur for opinion	Appointed
REGI Regional Development	JAKOVČIĆ Ivan (ALDE)	25/05/2016

European Commission

Commission DG	Commissioner
Economic and Financial Affairs	MOSCOVICI Pierre

Key events

Date	Event	Reference	Summary
09/06/2016	Committee referral announced in Parliament		
27/03/2017	Vote in committee		
05/04/2017	Committee report tabled for plenary	A8-0161/2017	Summary

26/04/2017	Debate in Parliament		
27/04/2017	Decision by Parliament	T8-0138/2017	Summary
27/04/2017	Results of vote in Parliament		
27/04/2017	End of procedure in Parliament		

Technical information	
Procedure reference	2016/2098(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Annual report
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	CONT/8/06693

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE587.516	03/01/2017	
Committee opinion	REGI	PE593.948	07/02/2017	
Amendments tabled in committee		PE599.624	07/02/2017	
Committee report tabled for plenary, single reading		A8-0161/2017	05/04/2017	Summary
Text adopted by Parliament, single reading		T8-0138/2017	27/04/2017	Summary

European Commission

Document type	Reference	Date	Summary
Commission response to text adopted in plenary	SP(2017)472	07/09/2017	

Annual report on the control of the financial activities of the EIB for 2015

2016/2098(INI) - 05/04/2017 - Committee report tabled for plenary, single reading

The Committee on Budgetary Control adopted an own-initiative report by Nedzhmi ALI (ADLE, BG) on the annual report on the control of the financial activities of the EIB for 2015.

It made the following recommendations:

Enhancing the sustainability of the EIB's investment policy: while welcoming the EIB's annual reports for 2015, the report called on the EIB to further refine and provide information on the concrete and achieved economic, social and environmental impact, and added value, of its operations in the Member States and outside the EU.

Members strongly encouraged the EIB to continue its efforts to overcome investment, market and sectoral gaps and to invest in projects and operations which have **real added value** for achieving greater EU economic, social and territorial cohesion, a stronger investment environment, higher employment and the return of sustainable growth across the EU.

The EU should in particular:

- **better anticipate structural challenges**, notably those related to Europe's re-industrialisation and the knowledge-based and digital economy, in order to generate new economic opportunities, innovation, the development of a circular economy and better use of renewables;
- assess funded projects not only in terms of economic relevance but also with an equally strong focus on environmental and social sustainability;
- step up the dissemination of their financing possibilities, as well as their support and advice, to increase funding for projects of local and regional authorities and SMEs;
- take account of the **less developed countries** and regions given that 73 % of the EIB's total lending for 2015 is concentrated in six Member States.

Members considered it fundamental that the EIB keep its **triple-A rating** in order to preserve its access to international capital markets under the best borrowing conditions.

Monitoring the EIB's impact in the implementation of key public policy areas: Members regretted that there is no information provided in the 2015 Annual Report on the EIB operations inside the EU about expected and achieved results from the Bank operations with regard to its two cross-cutting policy objectives, namely climate action and cohesion; is concerned that in 2015 the EIB **did not reach the envisaged level of 30 % investments** for cohesion (25.2 % achieved inside the EU).

The EIB is called upon to reinstate economic, social and territorial cohesion as a primary public policy goal and to start explicit reporting on its implementation and to continue to define its monitoring indicators, more specifically indicators of additionality.

Funding schemes for SMEs: Members noted that the EIB's support to SMEs accounted for approximately 36.6 % of its funding in 2015, triggering a leverage effect of EUR 39.7 billion for SME finance and supporting 5 million jobs. They welcomed the EIF efforts to make the SME Initiative work. They also welcomed the European Investment Fund's efforts to make the SME Initiative work currently in six countries (Spain, Italy, Bulgaria, Finland, Romania and Malta), as well as the proposal of the Commission to prolong the SME Initiative until 2020.

The EIB is invited to **increase its intervention risk profile**, especially when supporting SMEs which are taking risks or evolving in economically disadvantaged regions.

Members also recommended that the EIB should:

- continue to support infrastructure agenda based on efficient projects of common interest in the transport and energy sectors with their own resources and by implementing the Debt Financial Instruments under the Connected Europe Facility;
- continue to pay particular attention to **investments in R&D** (loans to innovative projects in 2015 amounted to a record level of EUR 18.7 billion);
- **strengthen cooperation** with national, regional and local authorities together with National Promotional Banks and Institutions in order to create more synergies between the ESI Funds and EIB financing instruments and loans;
- focus its **climate action** on the sustainability of cross-sector projects in the context of the COP21 targets and to support the expansion of renewable energies;
- **support EU external policies** and emergency response related to the global challenge of migration;
- pay particular attention to the **principle of additionality** and to provide relevant qualitative management information on the implementation of the European Funds for Strategic Investment (EFSI) stated objectives; the widest possible geographical spread should be considered in the implementation of the EFSI pipeline for the benefit of cohesion and sustainability objective.

Lastly, Members considered that the enhanced economic role of the EIB, its increased investment capacity and the use of the EU budget to guarantee the EIB's operations must be accompanied by **greater transparency and deepened accountability** so as to ensure genuine public scrutiny of its activities, project selection and funding priorities.

Annual report on the control of the financial activities of the EIB for 2015

2016/2098(INI) - 27/04/2017 - Text adopted by Parliament, single reading

The European Parliament adopted by 530 votes to 105, with 12 abstentions, a resolution on the annual report on the control of the financial activities of the EIB for 2015.

It made the following recommendations:

Enhancing the sustainability of the EIB's investment policy: Members noted that EUR 77.5 billion of operations were signed in 2015, out of which EUR 69.7 billion went to EU Member States and EUR 7.8 billion went outside the EU.

While welcoming the EIB's annual reports for 2015, Parliament called on the EIB to further refine and provide information on the concrete and achieved economic, social and environmental impact, and added value, of its operations in the Member States and outside the EU. Members strongly encouraged the EIB to continue its efforts to overcome investment, market and sectoral gaps and to invest in projects and operations which have **real added value.**

The EU should in particular:

- **better anticipate structural challenges**, notably those related to Europe's re-industrialisation and the knowledge-based and digital economy, in order to generate new economic opportunities, innovation, the development of a circular economy and better use of renewables;
- assess funded projects not only in terms of economic relevance but also with an equally strong focus on environmental and social sustainability;
- step up the dissemination of their financing possibilities, as well as their support and advice, to increase funding for projects of local and regional authorities and SMEs;
- take account of the **less developed countries** and regions given that 73 % of the EIB's total lending for 2015 is concentrated in six Member States.

Members considered it fundamental that the EIB keep its **triple-A rating** in order to preserve its access to international capital markets under the best borrowing conditions.

Monitoring the EIB's impact in the implementation of key public policy areas: Parliament regretted that there is no information provided in the 2015 Annual Report on the EIB operations inside the EU about expected and achieved results from the Bank operations with regard to its two cross-cutting policy objectives, namely climate action and cohesion; is concerned that in 2015 the EIB **did not reach the envisaged level of 30 % investments** for cohesion (25.2 % achieved inside the EU).

The EIB is called upon to **reinstate economic, social and territorial cohesion** as a primary public policy goal and to start explicit reporting on its implementation and to continue to define its monitoring indicators, more specifically indicators of additionality.

Funding schemes for SMEs: the EIB's support to SMEs accounted for approximately 36.6 % of its funding in 2015, triggering a leverage effect of EUR 39.7 billion for SME finance and supporting 5 million jobs.

Parliament welcomed the EIF efforts to make the SME Initiative work. It also welcomed the European Investment Fund's efforts to make the SME Initiative work currently in six countries (Spain, Italy, Bulgaria, Finland, Romania and Malta), as well as the proposal of the Commission to prolong the SME Initiative until 2020.

The EIB is invited to **increase its intervention risk profile**, especially when supporting SMEs which are taking risks or evolving in economically disadvantaged regions.

Members also recommended that the EIB should:

- continue to support infrastructure agenda based on efficient projects of common interest in the transport and energy sectors with their own resources and by implementing the Debt Financial Instruments under the Connected Europe Facility;
- continue to pay particular attention to **investments in R&D** (loans to innovative projects in 2015 amounted to a record level of EUR 18.7 billion); as regards dual-use technologies, the EIB should primarily support those investments that are motivated by their commercialisation in civilian applications;
- **strengthen cooperation** with national, regional and local authorities together with National Promotional Banks and Institutions in order to create more synergies between the ESI Funds and EIB financing instruments and loans;
- focus its **climate action** on the sustainability of cross-sector projects in the context of the COP21 targets and to support the expansion of renewable energies;
- continue the development of a market for **sustainable green projects**, promoting above all the creation of a circular economy, in particular via a green bond market;
- **support EU external policies** and emergency response related to the global challenge of migration by including the development aspect.

Monitoring of the EFSI's added value and additionality: the projects approved to date represent a total of EUR 115.7 billion of investments out of a total of EUR 315 billion of additional investments to be leveraged by the European Strategic Investment Fund (EFSI) through the EIB by 2018. Parliament called on the EIB to pay particular attention to the **principle of additionality** and to provide relevant qualitative management information on the implementation of the European Funds for Strategic Investment (EFSI) stated objectives.

The EIB is asked to **correct the current geographical imbalances** within the Union and sectoral concentration of the EFSI's portfolio, by enhancing its advisory activities for projects development in Member States and by considering expanding the number of sectors eligible for EFSI funding.

Transparency and accountability: according to Parliament, the enhanced economic role of the EIB, its increased investment capacity and the use of the EU budget to guarantee the EIB's operations must be accompanied by **greater transparency and deepened accountability** so as to ensure genuine public scrutiny of its activities, project selection and funding priorities.