



EUROPEAN PARLIAMENT

2014 - 2019

Committee on Budgetary Control

2014/2156(INI)

5.12.2014

OPINION

of the Committee on Budgetary Control

for the Committee on Economic and Monetary Affairs

on the European Investment Bank - Annual Report 2013
(2014/2156(INI))

Rapporteur: Ryszard Czarnecki

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SUGGESTIONS

The Committee on Budgetary Control calls on the Committee on Economic and Monetary Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Believes that the momentum to support economic growth and competitiveness, and the adequacy between EIB activities and the EU's mid- to long-term key priorities, such as job creation, growth of competitiveness, research and development, support to SMEs, Midcap companies and entrepreneurship, strategic infrastructure and resource efficiency, are enduring objectives that must be thoroughly pursued and reinvigorated;
2. Supports the EIB's catalyst role in the emergence of new and swift growth drivers; calls on the EIB to further define a strategic analysis of investment funding in the long term in order to ensure the development of a sustainable and smarter investment strategy at European level, and to put forward joint investment plans associating private and public stakeholders at appropriate levels (regional, national and European);
3. Encourages an increased focus on social sustainability in the EIB's urban investment activities; acknowledges the improvement in EIB funding for social housing but emphasises the need to develop further research and activity on social sustainability in the context of sustainable urban regeneration;
4. Acknowledges the essential counter-cyclical and stabilising role of the EIB's actions to support sound projects throughout the EU and beyond with an increased lending capacity up to EUR 75 billion, i.e. an increase of 37 % compared to 2012, and invites the EIB to further identify, obtain and apply additional sources of funding to fuel economic recovery and growth;
5. Recalls that prioritisation within the EIB's lending activities on projects with clear deliverables and impact on economic growth, recovery and employment must remain the core guiding principle, alongside anticipating post-crisis challenges by stepping up its support to reindustrialisation projects in Europe;
6. Requests, in this respect, more information on the precise nature of individual projects funded directly and indirectly through the EIB's lending activities, and, in particular, on their added value and impact on economic growth, recovery, and employment;
7. Welcomes the decision to increase the EIF capital by EUR 1.5 billion, which should allow boosting of the fund's activities at short term, in particular by unlocking and facilitating SMEs' access to finance, but also requests to consequently adapt its risk-management system through an EIB Group risk mapping broken down by intervention policies; emphasises the importance of the EIB in facilitating partnerships for funding SME activity;
8. Besides the increased lending capacity, welcomes the implementation and development of new activities in the trade finance area in the countries impacted by the economic crisis, especially with the SME Trade Finance Facility or tailor-made financial solutions such as the European Progress Microfinance Facility dedicated to financial inclusion; encourages

the EIB to extend the benefits of these new instruments to new beneficiaries at European level;

9. Notes that complaints, especially from small businesses, persist regarding the lack of access to funding originating from the EIB's external lending capacities, and to funding supported by the EIF; requests, therefore, an annual survey of how many SMEs, and in particular micro-enterprises, have benefited from these facilities and what measures the EIB has taken in respect of the policies of intermediaries used by the EIB to improve effective access to funding for SMEs;
10. Welcomes all the incentives developed by the EIB for developing an innovation-friendly climate and finance through the first Growth Finance Initiative or risk-sharing management for innovative SMEs and start-ups;
11. Welcomes the fact that the initial amount of EUR 6 billion earmarked for the Youth Employment Initiative was far exceeded to reach EUR 9.1 billion, and urges the EIB to accelerate implementation of this initiative and consider its broadening;
12. Highlights the importance of the EIB's role in developing educational infrastructure as a means of improving skills and tackling youth unemployment problems in Europe; welcomes increased EIB activity on developing educational facilities to address job shortages for young people;
13. Notes the Project Bond Initiative with infrastructure in transport, energy and resources fields;
14. Welcomes the entry into force of the new lending conditions for energy sectors and the investment of EUR 19 billion in climate projects; reiterates the crucial importance of achieving EU energy goals;
15. Calls for a thorough assessment and a report on risks and control systems associated with blended finance with the European Commission, considering the impact of blending activities not only in terms of oversight but also in terms of governance options;
16. Reiterates its request that the European Court of Auditors (ECA) produce a special report on the performance and alignment with EU policies of EIB external lending activities before the mid-term review of the EIB's external mandate, and to compare their added value with regard to the own resources used by the EIB; asks the ECA, furthermore, to differentiate in its analysis between the guarantees granted by the EU budget, the investment facility guaranteed by the EDF, the various forms of blending used in the EU-Africa infrastructural trust fund, the Caribbean investment fund and the investment facility for the Pacific, and the usage of reflows for these investments;
17. Acknowledges the need for civil society's participation in order to create prosperous and sustainable neighbouring regions through socio-economic development initiatives and private sector investment; recalls the need to continuously support civil society's components involved in democratic and economic transitions in Southern Mediterranean and Eastern partner countries, in line with the European Union's foreign policy objectives defined by the Commission and the European External Action Service;

18. Encourages the EIB and the EBRD to continue working towards the best possible operational cooperation for the implementation of projects, this closer cross-banking cooperation being indispensable to optimise costs and enhance synergies with more efficient use of resources;
19. Welcomes the fact that the EIB joined the International Aid Transparency Initiative (IATI) in October 2013, and calls on the EIB to implement the IATI standards for all lending activities in partner countries outside the EU; supports the EIB's efforts undertaken to ensure consistency in the application of the Transparency Policy within its services, notably through continuous awareness raising and the setting up of focal points, and also towards external stakeholders and EU citizens;
20. Recalls that transparency in the implementation of EU policies leads not only to the strengthening of the EIB's overall corporate accountability and responsibility, with a clear overview of the type of financial intermediaries and final beneficiaries, but contributes also to enhancing the effectiveness and sustainability of the aid projects funded;
21. Notes with concern that contrary to the commitments made under the IATI, the EIB is considering changing its rules on access to documents for stakeholders and citizens and making these more restrictive; calls upon the EIB to ensure the full application of existing EU legislation, and in particular Regulation (EC) No 1049/2001, in respect of access to documents relating to its administrative tasks, whilst respecting the general principle of 'working as openly as possible', laid down in Article 15(1) of the Treaty on the Functioning of the European Union, with regard to all the EIB's tasks;
22. Proposes that regular structured dialogue between the President of the EIB and Parliament, similar to the quarterly monetary dialogue between the ECB and Parliament, be set up to ensure increased parliamentary oversight of the EIB's activities and facilitate enhanced cooperation and coordination between the two institutions;
23. Welcomes the strong asset quality of the EIB, with a rate of impaired loans close to 0 % (0.2 %) of the total loan portfolio; considers essential to ensure that the EIB keeps its triple-A credit rating in order to preserve its access to international capital markets under the best funding conditions, with subsequent positive impacts on project life and for stakeholders and the EIB's business model;
24. Reiterates its demand to develop and integrate in the EIB annual report a set of cross-cutting performance indicators on the impact of the main EIB interventions, possibly showing in particular the multiplier and leverage effect;
25. Proposes that the regulatory external supervision be:
 - (i) carried out by the ECB on the basis of Article 127(6) TFEU, or
 - (ii) exercised in the context of the future Banking Union envisaged in the Commission communication of 12 September 2012¹, or
 - (iii) failing that, and on the basis of a voluntary approach by the EIB, carried out by the

¹ COM(2012)0510.

European Banking Authority, with or without the participation of one or more national supervisors, or else by an independent auditor,

and regrets the fact that the Commission has proposed no action in this regard, despite Parliament's requests dating back to 2007;

26. Notes that the Tripartite Agreement mentioned in Article 287(3) of the Treaty on the Functioning of the European Union, governing cooperation between the EIB, the Commission and the Court of Auditors with respect to the methods for controls exercised by the Court regarding the EIB's activity in managing Union and Member State funds, is up for renewal in 2015; calls upon the EIB to update the remit of the European Court of Auditors in this respect, by including any new EIB facilities involving public funds from the EU or the European Development Fund;
27. Recalls that the EIB must pay regular attention to and review its policy related to non-conforming jurisdictions, in accordance with the country ratings published by the OECD Global Forum on Transparency and Exchange of Information for Tax Purposes in November 2013, as well as updating its policies on anti-money laundering and combating the financing of terrorism;
28. Welcomes the approval by the EIB Board of an updated anti-fraud policy in 2013, confirming the bank's zero tolerance approach.

RESULT OF FINAL VOTE IN COMMITTEE

Date adopted	2.12.2014
Result of final vote	+ : 17 - : 0 0 : 3
Members present for the final vote	Zigmantas Balčytis, Ryszard Czarnecki, Dennis de Jong, Tamás Deutsch, Martina Dlabajová, Ingeborg Gräßle, Rina Ronja Kari, Verónica Lope Fontagné, Dan Nica, Georgi Pirinski, Petri Sarvamaa, Bart Staes, Marco Valli, Derek Vaughan, Anders Primdahl Vistisen, Tomáš Zdechovský
Substitutes present for the final vote	Caterina Chinnici, Benedek Jávor, Louis-Joseph Manscour, Julia Pitera