



Committee on the Environment, Public Health and Food Safety

2016/0275(COD)

21.3.2017

OPINION

of the Committee on the Environment, Public Health and Food Safety

for the Committee on Budgets

on the proposal for a decision of the European Parliament and of the Council amending Decision No 466/2014/EU granting an EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union (COM(2016)0583 – C8-0376/2016 – 2016/0275(COD))

Rapporteur: Aldo Patriciello

PA_Legam

SHORT JUSTIFICATION

Context

The European Investment Bank (EIB) is the Union's financing institution which contributes to European integration, development and cohesion by financing projects in support of EU policies. Although the majority of projects financed by the EIB are located within the Union, the EIB also carries out operations outside the Union. The Union has given to the EIB a number of mandates to perform certain lending operations under an EU budgetary guarantee covering the period 2014-2020, including the EIB external lending mandate (ELM) which covers the EIB operations outside the Union.

The rapporteur acknowledges that the Union, as a global actor, should take the lead in addressing climate change. Furthermore, he recognises that the EIB has made climate action one of its top priorities and developed a leading position among international finance institutions in this area by embedding these environmental priorities into the bank's activities and actions within and outside the Union.

Over the period 2010-2014, the EIB provided more than EUR 90 billion to climate action projects, making the EIB one of the largest climate financiers globally.

EIB financing of climate change projects

Following the mid-term review of the current mandate, which takes into account the experiences gained over the 2014 to 2016 period, the rapporteur welcomes this legislative proposal adopted by the Commission on 14 September 2016.

This new proposal, built on past achievements and challenges encountered, makes reference to the Paris agreement adopted under the UN Framework Convention on Climate Change, where governments agreed to limit global warming to well below 2°C above pre-industrial levels and therefore to undertake rapid reductions of GHG emissions with the best available techniques.

Accordingly, by recognising the agreement as a milestone on the path towards a more sustainable economy worldwide, the rapporteur fully supports all actions needed to broadly align the external lending mandate's aims and operations, including the new horizontal high-level objective recently added for addressing root causes of migration, with the UN Sustainable Development Goals. Such actions could contribute directly to some of these Goals, such as clean water and sanitation, affordable and clean energy, industry, innovation and infrastructure, sustainable cities and communities, climate action, decent work and economic growth.

The rapporteur welcomes the proposal particularly as regards the EIB's aim to sustain the current high level of climate relevant spending under the ELM, contributing to increasing its climate related investment in developing countries from 25 % to 35 % by 2020.

Furthermore, the rapporteur supports the fact that the proposal sets out the following main elements:

- EIB financing operations, despite the vastly different situations of countries around the world, should back investment projects in climate change mitigation and adaptation that contribute to the overall objectives of the UN Framework Convention on Climate

Change and of the Paris Agreement adopted under that Convention, in particular by avoiding or reducing greenhouse gas emissions in the areas of renewable energy, energy efficiency and sustainable transport, or by increasing resilience to the adverse impacts of climate change on vulnerable countries, sectors and communities.

- Although the EIB has been the first international financial institution to systematically introduce a cost of carbon into its project appraisal, the eligibility criteria for climate action projects should be those defined in the EIB climate change strategy which was updated in 2015. On the basis of the methodologies for the assessment of project greenhouse gas emissions and emission variations drawn up by the EIB, an analysis of the carbon footprint should be included in the environmental assessment procedure to determine whether project proposals optimise energy-efficiency improvements.
- Over the period covered by this decision (2014-2020), the EIB should endeavour to sustain the current high level of climate-relevant operations, while the minimum volume of those operations should represent at least 25 % of the total EIB financing operations.
- The EIB should enhance the adaptation elements in its contribution to climate change projects.

AMENDMENTS

The Committee on the Environment, Public Health and Food Safety calls on the Committee on Budgets, as the committee responsible, to take into account the following amendments:

Amendment 1

Proposal for a decision

Recital 2

Text proposed by the Commission

(2) A new results-oriented partnership framework with third countries which takes account of all Union policies and instruments should be developed. As part of that new partnership framework, the External Investment Plan should be established in order to support investments in regions outside the Union, while contributing to the achievement of the sustainable development goal. It should also fulfil the objectives of the 2030 Agenda for Sustainable Development and the objectives pursued by the other financing instruments for external action.

Amendment

(2) A new results-oriented partnership framework with third countries which takes account of all Union policies and instruments should be developed. As part of that new partnership framework, the External Investment Plan should be established in order to support investments in regions outside the Union, while contributing to the achievement of the sustainable development goal. It should also fulfil the objectives of the 2030 Agenda for Sustainable Development, ***the Paris Agreement adopted under the United Nations Framework Convention on Climate Change*** and the objectives pursued by the other financing instruments for external action.

Justification

With the Paris Climate Agreement, governments agreed to limit global warming to well below 2°C above pre-industrial levels and therefore to undertake rapid reductions of GHG emissions with the best available techniques. They also committed to support developing countries in their effort toward climate change adaptation.

Amendment 2

Proposal for a decision Recital 13

Text proposed by the Commission

(13) Following the Paris Agreement adopted under the United Nations Framework Convention on Climate Change⁴, the EIB should aim to sustain the current high level of climate relevant spending under the ELM, contributing to increasing its climate-related investment in developing countries from 25 % to 35 % by 2020.

⁴ Council Decision (EU) 2016/590 of 11 April 2016 on the conclusion, on behalf of the European Union, of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change (OJ L 103, 19.4.2016, p. 1).

Amendment

(13) Following the Paris Agreement adopted under the United Nations Framework Convention on Climate Change⁴, the EIB should aim to sustain the current high level of climate relevant spending under the ELM, contributing to increasing its climate-related investment in developing countries from 25 % to 35 % by 2020. ***In addition, the EIB should work to phase out the financing of projects that do not contribute to the Union's climate objectives and the transition to a low-carbon economy.***

⁴ Council Decision (EU) 2016/590 of 11 April 2016 on the conclusion, on behalf of the European Union, of the Paris Agreement adopted under the United Nations Framework Convention on Climate Change (OJ L 103, 19.4.2016, p. 1).

Amendment 3

Proposal for a decision Article 1 – paragraph 1 – point 2 – point b b (new) Decision No 466/2014/EU Article 3 – paragraph 6

Present text

"6. EIB financing operations supporting the

Amendment

(b b) paragraph 6 is replaced by the following:

"6. EIB financing operations supporting the

general objective set out in point (b) of paragraph 1 shall support investment projects predominantly in the areas of transport, energy, environmental infrastructure, information and communication technology, health and education. This includes production and integration of energy from renewable sources, energy systems transformation enabling a switch to lower carbon intensive technologies and fuels, sustainable energy security and energy infrastructure, including for **gas production and transportation to Union energy market, as well as** electrification of rural areas, environmental infrastructure such as water and sanitation and green infrastructure, telecommunications and broadband network infrastructure."

general objective set out in point (b) of paragraph 1 shall support investment projects predominantly in the areas of transport, energy, environmental infrastructure, information and communication technology, health and education. This includes production and integration of energy from renewable sources, energy systems transformation enabling a switch to lower carbon intensive technologies and fuels, sustainable energy security and energy infrastructure, including for electrification of rural areas, environmental infrastructure such as water and sanitation and green infrastructure, telecommunications and broadband network infrastructure. **EIB financing operations shall not contribute to new coal-fired energy generation nor increase coal-dependency.**"

(<http://eur-lex.europa.eu/legal-content/EN/TXT/?qid=1488461953197&uri=CELEX:02014D0466-20160926>)

Justification

Aligning the conditions for EIB financing operations in the energy area to the Parliament position regarding ETS support for modernisation of the energy sector. Financing projects for gas production and transportation to Union energy market should not be in the scope of the instrument that aims to tackle root causes of migration by contributing to the achievement of the sustainable development goals.

Amendment 4

Proposal for a decision

Article 1 – paragraph 1 – point 2 – point c

Decision No 466/2014/EU

Article 3 – paragraph 7 – subparagraph 1

Text proposed by the Commission

EIB financing operations supporting the general objectives set out in point (c) of paragraph 1 shall back investment projects in climate change mitigation and adaptation that contribute to the overall objectives of the United Nations Framework Convention on Climate Change and of the Paris Agreement adopted under that Convention, *in* particular by avoiding or reducing greenhouse gas

Amendment

By recognising climate change as the greatest global challenge of our time, and in order to avoid that climate risk seriously undermines efforts already undertaken to improve welfare, in particular in the world's poorest regions, EIB financing operations supporting the general objectives set out in point (c) of paragraph 1 shall back investment projects in climate change

emissions in the areas of renewable energy, energy efficiency and sustainable transport, or by increasing resilience to the adverse impacts of climate change on vulnerable countries, sectors and communities.

mitigation and adaptation that contribute to the overall objectives of the United Nations Framework Convention on Climate Change and of the Paris Agreement adopted under that Convention. ***In particular, those ambitious targets shall be carried out*** by avoiding or reducing greenhouse gas emissions in the areas of renewable energy, energy efficiency and sustainable transport, or by increasing resilience to the adverse impacts of climate change on vulnerable countries, sectors and communities.

Justification

One of the key hurdles in the fight against climate change is to enable the investments required in this transition, especially in the world's poorest regions. It is important to develop innovative climate financing solutions, addressing market failure and seizing opportunities to attract private finance, including through the capital market

Amendment 5

Proposal for a decision

Article 1 – paragraph 1 – point 2 – point c

Decision No 466/2014/EU

Article 3 – paragraph 7 – subparagraph 3

Text proposed by the Commission

Over the period covered by this decision, the EIB should endeavour to sustain ***the current*** high level of climate-relevant operations, ***while the minimum*** volume of ***those operations*** shall represent at least 25 % of the total EIB financing operations.

Amendment

Over the period covered by this decision, the EIB should endeavour to sustain ***a*** high level of climate-relevant operations, ***the*** volume of ***which*** shall represent at least 25 % of the total EIB financing operations ***outside the Union, gradually increasing that target to at least 35 % by 2020.***

Amendment 6

Proposal for a decision

Article 1 – paragraph 1 – point 2 – point c

Decision No 466/2014/EU

Article 3 – paragraph 7 a (new)

Text proposed by the Commission

Amendment

‘7a. Climate considerations shall be properly taken into account across all

activities carried out by the EIB External Lending Mandate to ensure that gains are made whenever possible and feasible. Despite the significant lending volumes and broad sectorial spread of the projects supported, further efforts shall be made in order to make EIB environmental actions and mainstreaming tools more effective, in particular by broadly extending, where possible, coverage of sector policies and by developing the assessment of climate risk and vulnerability.'

Justification

Integrating climate change considerations across all EIB standards, methods and processes will help to reinforce the environmental impact of EIB financing activities.

PROCEDURE – COMMITTEE ASKED FOR OPINION

Title	EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union						
References	COM(2016)0583 – C8-0376/2016 – 2016/0275(COD)						
Committee responsible Date announced in plenary	BUDG 6.10.2016						
Opinion by Date announced in plenary	ENVI 6.10.2016						
Rapporteur Date appointed	Aldo Patriciello 13.10.2016						
Discussed in committee	27.2.2017						
Date adopted	21.3.2017						
Result of final vote	<table> <tr> <td>+: </td><td>54</td></tr> <tr> <td>–: </td><td>1</td></tr> <tr> <td>0: </td><td>0</td></tr> </table>	+:	54	–:	1	0:	0
+:	54						
–:	1						
0:	0						
Members present for the final vote	Marco Affronte, Margrete Auken, Zoltán Balczó, Ivo Belet, Biljana Borzan, Paul Brannen, Soledad Cabezón Ruiz, Nessa Childers, Birgit Collin-Langen, Mireille D’Ornano, Miriam Dalli, Seb Dance, Angélique Delahaye, Stefan Eck, Bas Eickhout, José Inácio Faria, Francesc Gambús, Gerben-Jan Gerbrandy, Jens Gieseke, Julie Girling, Sylvie Goddyn, Françoise Grossetête, Jytte Guteland, György Hölvényi, Anneli Jäätteenmäki, Benedek Jávor, Karin Kadenbach, Kateřina Konečná, Urszula Krupa, Giovanni La Via, Peter Liese, Norbert Lins, Valentinas Mazuronis, Gesine Meissner, Susanne Melior, Miroslav Mikolášik, Piernicola Pedicini, Pavel Poc, Julia Reid, Frédérique Ries, Michèle Rivasi, Annie Schreijer-Pierik, Davor Škrlec, Renate Sommer, Estefanía Torres Martínez, Nils Torvalds, Adina-Ioana Vălean, Damiano Zoffoli						
Substitutes present for the final vote	Guillaume Balas, Nicola Caputo, Carlos Zorrinho, Elżbieta Katarzyna Łukacijewska						
Substitutes under Rule 200(2) present for the final vote	Jan Keller, Arne Lietz, Stefano Maullu						

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

54	+
ALDE	Gerben-Jan Gerbrandy, Anneli Jäätteenmäki, Valentinas Mazuronis, Gesine Meissner, Frédérique Ries, Nils Torvalds
ECR	Julie Girling, Urszula Krupa
EFDD	Piernicola Pedicini
ENF	Mireille D'Ornano, Sylvie Goddyn
GUE/NGL	Stefan Eck, Kateřina Konečná, Estefanía Torres Martínez
NI	Zoltán Balczó
EPP	Ivo Belet, Birgit Collin-Langen, Angélique Delahaye, José Inácio Faria, Francesc Gambús, Jens Gieseke, Françoise Grossetête, György Hölvényi, Giovanni La Via, Peter Liese, Norbert Lins, Elżbieta Katarzyna Łukacijewska, Stefano Maullu, Miroslav Mikolášik, Annie Schreijer-Pierik, Renate Sommer, Adina-Ioana Vălean
S&D	Guillaume Balas, Biljana Borzan, Paul Brannen, Soledad Cabezón Ruiz, Nicola Caputo, Nessa Childers, Miriam Dalli, Seb Dance, Jytte Guteland, Karin Kadenbach, Jan Keller, Arne Lietz, Susanne Melior, Pavel Poc, Damiano Zoffoli, Carlos Zorrinho
Verts//ALE	Marco Affronte, Margrete Auken, Bas Eickhout, Benedek Jávor, Michèle Rivasi, Davor Škrlec

1	-
EFDD	Julia Reid

0	0
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Key to symbols:

+ : in favour

- : against

0 : abstention