



EUROPEAN PARLIAMENT

2009 - 2014

Committee on Development

2011/2186(INI)

9.2.2012

OPINION

of the Committee on Development

for the Committee on Budgetary Control

on the European Investment Bank (EIB) – Annual Report 2010
(2011/2186(INI))

Rapporteur: Bart Staes

PA_NonLeg

SUGGESTIONS

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

1. Welcomes the implementation of Decision No 1080/2011/EU granting an EU guarantee to the EIB against losses under loans and loan guarantees for projects outside the EU; stresses that the external mandate of the EIB must be coherent with Article 208 TFEU, which states that the reduction and eradication of poverty is the primary objective of the Union's development cooperation policy;
2. Whereas the EIB's activity outside the EU has developed primarily in middle income countries, with limited staff resources particularly for upstream work and for project monitoring, as well as a limited local presence compared to the level and complexity of financing activities outside the EU;
3. Notes that, of the total of EUR 72 bn which the EIB lent in 2010, EUR 8.511 bn was lent to developing countries (of which 1.2 bn to Asia and Latin America (ALA), EUR 1 bn to ACP countries (973m) and South Africa (50m), EUR 2.55 bn to the Mediterranean countries and EUR 328 m to Central Asian countries), including EUR 657 m for projects in the fields of water and sanitation, health and education;
4. Welcomes the EIB's focus on climate change, particularly on renewable energy and on the two projects in France's Pacific OCTs funded to the tune of EUR 15 million; calls on the EIB to make universal energy access a focus of its engagement in the energy sector, by supporting decentralised small-scale and off-grid projects, particularly in rural areas; calls on the EIB to phase out projects which are likely to have a significant impact on the environment, such as large dams, CCS and fossil fuel technologies, to avoid locking developing countries into these energies;
5. Notes that the independent evaluation of the EIB's external mandate shows that the EIB's efforts to monitor project implementation and ensure local presence and follow-up on environmental and social aspects still appear to be insufficient, while the EIB's ability to satisfy the mandate requirements with regard to development aspects is only indirect;
6. Recalls that a narrow focus on GDP-led growth does not automatically deliver inclusive and sustainable development and reduce inequality; in this context, calls on the EIB to link its financing projects more directly to poverty reduction and the achievement of the MDGs, human rights, corporate social responsibility, decent work and environmental principles and good governance, through the implementation of Decision No 1080/2011/EU of the European Parliament and the Council; accordingly, takes the view that adequate concessional finance and staff resources are necessary to enable the EIB to support more effectively EU development cooperation objectives;
7. Calls on the EIB to actively support projects aimed at financial inclusion, i.e. facilitating equal access to financial services such as loans and savings and insurance schemes, for instance by supporting microfinance institutions;

8. Calls on the EIB to reinforce the due diligence on social aspects (including respect for human rights) in its project cycle work, both via ex ante analysis and especially via monitoring during project implementation and completion; calls for the definition of 'performance indicators' to better track the value added and impact of EIB operations and the strengthening of proper staff expertise in sustainable development, human rights and social/gender issues;
9. Welcomes the EIB's commitments and policy developed regarding non-cooperative jurisdictions; however, expresses its concern about the lack of transparency regarding the way 'global loans' are allocated and monitored in terms of tax governance; recalls that the EIB should ensure that recipients of its loans do not avail themselves of tax havens or use other harmful tax practices such as abusive transfer pricing which may lead to tax evasion or avoidance; in this context, calls on the EIB to request that financial intermediaries make public any use of the global loans they receive, including a report of their activities in any individual country in which they operate;
10. Regrets that the EIB is not prioritising investment in local companies in ACP countries; deems that monitoring of global loans or loans for SMEs should be improved, to ensure that financial intermediaries properly implement the EIB requirements, to ensure accountability, transparency and environmental sustainability in the use of funds made available to local SMEs; takes the view that the definition of SMEs used in each external region should be clarified, taking into account the structure of the local economies;
11. Requests that compliance with EU/agreed international standards regarding the environment and social policies should be a systematic condition for accessing EIB financing, while companies or undertakings that violate these principles and/or are registered in tax havens should be effectively excluded;
12. Welcomes the initiative to conclude a Memorandum of Understanding on cooperation between the European Parliament and the EIB; in this context, stresses the need to involve the EP closely in the process of discussion of the setting-up of an 'EU Platform for External Cooperation and Development' and to guarantee transparency in the process;

RESULT OF FINAL VOTE IN COMMITTEE

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| Date adopted | 9.2.2012 |
| Result of final vote | +: 24 -: 1 0: 0 |
| Members present for the final vote | Thijs Berman, Ricardo Cortés Lastra, Véronique De Keyser, Nirj Deva, Charles Goerens, Catherine Grèze, Filip Kaczmarek, Michał Tomasz Kamiński, Franziska Keller, Miguel Angel Martínez Martínez, Gay Mitchell, Norbert Neuser, Maurice Ponga, Jean Roatta, Michèle Striffler, Eleni Theocharous, Ivo Vajgl, Daniël van der Stoep, Anna Záborská, Gabriele Zimmer |
| Substitute(s) present for the final vote | Philippe Boulland, Santiago Fisas Ayxela, Fiona Hall, Horst Schnellhardt, Bart Staes |