



2015/2127(INI)

8.12.2015

OPINION

of the Committee on Economic and Monetary Affairs

for the Committee on Budgetary Control

on European Investment Bank (EIB) – Annual Report 2014
(2015/2127(INI))

Rapporteur: Dimitrios Papadimoulis

SUGGESTIONS

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

1. Takes note of the EIB Annual Report 2014 and welcomes the increase of 6.92 %, to EUR 80.3 billion, in the EIB Group's lending, in an economic context characterised by limited and fragile growth and in some cases recession; is deeply concerned at the still high, and, in some Member States, increasing levels of unemployment, inequality and poverty , as well as, weak investment in Europe; points out the uncertainty in the financial markets; underlines that in these economic and social circumstances many Member States are falling far behind with regard to their economic and Europe 2020 targets;
2. Takes note of the 2012 increase of EUR 10 billion in the EIB's capital, and calls on the Member States to consider once again increasing the capital of this European institution;
3. Regrets the fact that in 2013 overall investment in the EU decreased by 13 % compared with the pre-crisis period, with investment in some Member States decreasing by 25 % or even as much as 60 %, creating a dangerous investment imbalance in the EU; is of the opinion that growth-enhancing and job-creating investments remain a major challenge for the EIB, including a more efficient allocation of funds from the EU and Member States for the years to come; believes that the EIB has an important role to play in supporting investments for sustainable, convergent and inclusive growth, as part of an overall EU effort in this direction;
4. Calls for an increase in EIB investment activity, paying particular attention to strategic infrastructure, research, innovation, SMEs, R&D, and innovative start-ups in a substantial and prudent way, in order to meet the needs of the real economy and address the considerable investment gap that European economies face; calls for the improvement of its activity in line with Protocol (No 28) on Economic, Social and Territorial Cohesion; stresses the importance of creating new investment tools that increase the risk-bearing capacity of the EIB and promote efficient and effective investments, preferably by not crowding out private investments; welcomes the increase in signatures to the highest levels since 2009, but stresses that signature levels have further potential; notes the urgent need for access to finance, especially in the case of SMEs;
5. Calls on the EIB to re-examine its strategic planning programme in line with its mandate; urges the EIB to finance investment projects that have the highest economic and social impact ;
6. Emphasises that in order for the EIB to be able to support set economic goals, trust in the soundness of the financial situation of the institution itself as well as in the projects it supports are key; stresses, therefore, that the bank's lending activities have to be of high quality;
7. Emphasises that expanding the EIB's financing activities is no substitute for consolidated budgets and structural reforms in the Member States;

8. Emphasises that investment, structural reforms and sound budgetary policies must be part of an overall strategy;
9. Considers that the EIB should be not only a financial institution but also a knowledge and good practices bank;
10. Suggests that the EIB enhance its sectoral analysis capacities;
11. Calls on the EIB and other EU investment bodies to enforce cooperation in order to avoid risks of overlapping of investments;
12. Recalls that Parliament has welcomed the establishment of the European Fund for Strategic Investment (EFSI); emphasises the need for the EFSI to function in an effective, transparent and fair way in line with the criteria of its mandate and regulation; calls on the EIB to implement and further develop the EFSI in close cooperation with the co-legislators, including through a timely and mandatory conclusion of the pending agreement between Parliament and the EIB;
13. Welcomes the improvements to the EIB's advisory services, which will make for more efficient use of EU funds and more effective preparation and implementation of projects;
14. Stresses that the EIB should consider the viability of projects as the core criterion for lending; calls on the EIB to focus on investments in the real economy in order to stimulate jobs and growth in the EU;
15. Calls on the EIB to adopt an effective and up-to-date Responsible Taxation Policy, to be overseen by a Tax Unit and detailed within an Annual Tax Report of the EIB; calls for this policy to involve the EIB actively, using its relocation clause and systematically publishing the domicile of funds which benefit from EIB support; calls on the EIB to refrain from funding beneficiaries or financial intermediaries and from cooperating with financial partners with a proven negative track record, and to enforce prevention measures and regular tax assessments against non-cooperative tax jurisdictions officially declared to be tax havens by the Commission, tax and fiscal fraud and tax evasion, as well as illegal and aggressive tax avoidance; calls on the EIB to deal more effectively with risks of corruption and organised crime infiltration in EIB projects; calls on the EIB to reclaim loans where they were not spent according to the rules, and requests a list of outstanding EIB transactions, especially those featuring in the Commission's list of 'top 30' tax havens globally;
16. Calls on the EIB to evaluate private-public partnerships in terms of their growth, jobs and productivity input and added value for the relevant economies and societies and the influence on public budgets, in a cost-efficient and effective way, notably given the present outlook of low long-term interest rates; calls the EIB to strengthen the know-how base for participation of governments, regions and municipalities in PPP structures;
17. Underlines in this context that Member States where private-public partnerships are less developed could consider guidelines to encourage more efficient use of this type of contracts;
18. Notes that the EIB bonds are the only example of Union debt issuances;

19. Welcomes the EIB's policy of increasing the financing of SMEs and investing for youth, but is concerned for the time being that the results for the real economy and employment remain limited; welcomes the capital increase for the European Investment Fund (EIF) from EUR 3 billion to EUR 4.5 billion, and calls on the EIF to provide an analytical report of its achievements based on this substantial increase; asks the EIB, similarly, to report on the results of the EIB Group Risk Enhancement Mandate for the benefit of innovative and high-risk SMEs;
20. Welcomes the fact that in 2014 the EIB was the biggest issuer with EUR 4.3 billion in the Green Bond market, which was increased significantly reaching issuance of EUR 28 billion, and calls on the EIB to further enforce policies for environment-friendly renewable energy; also welcomes the fact that the EIB will be carrying out and requesting the publication of a climate assessment, and calls on the EIB to follow the recommendations of the Commission and the Waste Framework Directive and to prioritise investment in projects placed at the top of the waste hierarchy and in any other form of energy recovery;
21. Stresses the importance of regional development, and calls on the EIB to enhance dialogue and cooperation with regional and local authorities, banks and agencies; considers that, in this framework, cross-border cooperation should be also supported;
22. Calls on the EIB to pay attention to third countries and regions outside the EU suffering from conflict and extreme poverty, the main goal being to reduce the development gap between the EU and those regions, with a special focus on the Southern Mediterranean and Eastern European Neighbourhood countries; calls for full respect for the legislation of the beneficiary countries; calls on the EIB to further increase the efficiency of the Results Measurement Framework (REM) for activities outside the EU; requests that the European Court of Auditors produce a special report on the performance and alignment with EU policies of EIB external lending activities; welcomes the fact that EU grants are increasingly blended with EIB lending in order to achieve better project results in EU partner countries;
23. Calls on the EIB to further enhance transparency and access to information both internally, for the European Parliament and other institutions, as well as for the public, especially regarding the contracting and subcontracting system, the results of internal investigations and the selection, monitoring and evaluation of activities and programmes, on the basis of clear and measurable indicators, as well as the methodology and results of the ex ante impact assessment and ex post reporting for each project financed, provided that no sensitive business information is involved; urges the EIB to enforce the independence and efficiency of the Complaint Mechanism Office and to take further steps to reduce bureaucracy, increase its capacity for macroeconomic analysis and enhance gender representation in its senior positions; regrets the lack of diversity in the management committee, board of governors and board of directors of the EIB, in particular with regard to gender equality;
24. Requests the EIB to increase its reporting to Parliament and other stakeholders regarding its decisions, progress achieved and the impact of its lending activities within and outside the EU, through regular structures for dialogue increasing parliamentary oversight, including on the implementation of its Non-Compliant Jurisdiction Policy, and to fully

comply with the EFSI regulation, notably concerning interinstitutional cooperation with Parliament; calls on the EIB to apply to its ordinary activities the same reporting and accountability provisions as set out in the EFSI regulation; in this spirit, asks the EIB to agree to sign an agreement with Parliament to allow direct questions to its President, as already happens with the ECB President, and to improve the selection process for its posts of Managing Director and Deputy Managing Director.

RESULT OF FINAL VOTE IN COMMITTEE ASKED FOR OPINION

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| Date adopted | 1.12.2015 |
| Result of final vote | +: 48 -: 5 0: 4 |
| Members present for the final vote | Gerolf Annemans, Burkhard Balz, Hugues Bayet, Pervenche Berès, Udo Bullmann, Esther de Lange, Fabio De Masi, Anneliese Dodds, Markus Ferber, Jonás Fernández, Sven Giegold, Roberto Gualtieri, Brian Hayes, Gunnar Hökmark, Danuta Maria Hübner, Petr Ježek, Othmar Karas, Georgios Kyrtos, Werner Langen, Sander Loones, Bernd Lucke, Olle Ludvigsson, Ivana Maletić, Costas Mavrides, Bernard Monot, Luděk Niedermayer, Stanisław Ożóg, Dimitrios Papadimoulis, Sirpa Pietikäinen, Dariusz Rosati, Pirkko Ruohonen-Lerner, Alfred Sant, Molly Scott Cato, Peter Simon, Renato Soru, Theodor Dumitru Stolojan, Marco Valli, Tom Vandenkendelaere, Cora van Nieuwenhuizen, Jakob von Weizsäcker, Marco Zanni, Sotirios Zarianopoulos |
| Substitutes present for the final vote | Matt Carthy, Philippe De Backer, Ildikó Gáll-Pelcz, Marian Harkin, Sophia in 't Veld, Barbara Kappel, Verónica Lope Fontagné, Paloma López Bermejo, Thomas Mann, Alessia Maria Mosca, Michel Reimon, Maria João Rodrigues |
| Substitutes under Rule 200(2) present for the final vote | Agnes Jongerius, Anneleen Van Bossuyt, Igor Šoltes |