The European Parliament,

– having regard to the 2017 Activity Report of the European Investment Bank (EIB),
– having regard to the 2017 Sustainability Report, the 2017 Report on 3 Pillar Assessment for EIB operations inside the EU and the 2017 Report on Results Outside of the EU of the European Investment Bank,
– having regard to the Audit Committee annual reports for the year 2017,
– having regard to the Report on the implementation of the EIB’s Transparency Policy in 2017 and the Corporate Governance Report 2017,
– having regard to the EIB Office of the Chief Compliance Officer Activity Report 2017 and EIB Group Anti-Fraud Activity Report 2017,
– having regard to the EIB Group Operational Plan 2017-2019,
– having regard to Articles 3 and 9 of the Treaty on European Union,

having regard to Articles 15, 126, 174, 175, 208, 209, 271, 308 and 309 of the Treaty on the Functioning of the European Union, to Protocol No 5 thereto on the Statute of the EIB and to Protocol No 28 thereto on economic, social and territorial cohesion,

having regard to the Rules of Procedure of the European Investment Bank,

having regard to its resolutions of 27 April 2017 on the control of the financial activities of the EIB for 2015 – Annual Report 2015, of 3 May 2018 on the control of the financial activities of the EIB for 2016 – Annual Report 2016,


having regard to the Commission staff working document of 14 September 2016 on the extension of the duration of the European Fund for Strategic Investments (EFSI) as well as the introduction of technical enhancements for that Fund and the European Investment Advisory Hub (COM(2016)0597, SWD(2016)0297 and SWD(2016)0298),

having regard to the Ernst & Young ad hoc audit of 8 November 2016 of the application of Regulation (EU) 2015/1017 (‘EFSI Regulation’),

having regard to the Commission report of 28 May 2018 on the management of the guarantee fund of the European Fund for Strategic Investments (EFSI) in 2017 (COM(2018)0345 final),

having regard to the EIB’s operations evaluation report on the evaluation of EFSI of June 2018,


having regard to the Tripartite Agreement of September 2016 between the European Commission, the European Court of Auditors and the European Investment Bank,

---

5 OJ L 169, 1.7.2015, p. 1.
having regard to the European Court of Auditors’ briefing papers on Future of EU finances: reforming how the EU budget operates from February 2018 and on The Commission’s proposal for the 2021-2027 Multiannual Financial Framework from July 2018,

having regard to Rule 52 of its Rules of Procedure,

having regard to the report of the Committee on Budgetary Control and the opinion of the Committee on International Trade (A8-0479/2018),

A. whereas the mission of the EIB is to contribute towards the integration, balanced development and economic and social cohesion of the Member States by raising substantial volumes of funds on the capital markets and by lending these funds on favourable terms to projects furthering EU policy objectives;

B. whereas the EIB is at the heart of economic recovery efforts at the Union level, with two successive capital increases and through its pivotal role in implementing the Investment Plan for Europe via the management of the European Fund for Strategic Investments (EFSI);

C. whereas the EIB should contribute to inclusive growth, sustainable and quality employment and reduction of inequalities;

D. whereas regular and thorough needs assessment in various sectors is key for detecting investment gaps and barriers in different regions, but also for identifying a pool of opportunities with potential for growth and jobs, for further contributions to the goals of the 2015 Paris Agreement and adequately calibrate the nature and size of market failures depending on the existing externalities, sectoral and territorial development needs;

E. whereas the EIB’s role in leveraging public money is essential for the capacity of the Union to respond and to adapt to new economic and environmental trends and risks and geopolitical uncertainties while enhancing and strengthening the EIB Group risk oversight and prudential risk management;

F. whereas the EIB Group has seen a marked change in the nature, volume, risk profile and complexity of its business over recent years under the European Fund for Strategic Investment (‘EFSI’), with a trend towards an increasing number of smaller operations backed by the EU guarantee under EFSI, as well as a significant increase of mandates under management on behalf of the European Commission and in the provision of advisory services;

G. whereas Brexit will impact the EIB capital base, adequacy and upcoming lending capacity;

H. whereas the EIB should deliver added value with the highest level of integrity, good governance, and especially, in light of the Ombudsman’s findings in the ‘Decision in case 1316/2016/TN on alleged shortcomings in the European Investment Bank’s Transparency Policy’ [1], the highest level of transparency and accountability, as well as being in accordance with the applicable Best Banking Practice;

I. whereas combating all forms of money laundering, financing of terrorism and harmful
tax practices should remain a constant priority of the EIB;

J. Whereas at 31 December 2017 the European Investment Fund’s (EIF) shareholders
comprised the EIB (58.5 %), the Union represented by the European Commission
(29.7 %) and 32 financial institutions(11.8 %); whereas the majority of EIF operations
are currently funded under specific Mandate agreements with third parties.

The role of the EIB for ensuring a value-adding strategic public investment

1. Points out that public investment is still necessary in order to close the investment gaps
in various sectors remaining below the pre-crisis levels in most vulnerable Member
States and cohesion countries to further recover from the impact of the crisis and to
boost long term and sustainable growth, employment and cohesion in the Union;

2. Notes that the aggregate subscribed capital of the EIB is EUR 243 billion; notes that the
EIF’s shareholders include all Member States and that, in addition to paid-in capital, the
Member States also commit themselves to providing additional capital on request;
points out that the four biggest shareholders are Germany, France, Italy and the UK,
each of which accounts for EUR 39,14 billion and 16.11 % of the total;

3. Notes that according to its operational strategy, the EIB aims to support European
strategic objectives, such as restoring EU competitiveness and long-term economic
growth and job creation, to facilitate access to finance for small and medium-sized
enterprises (SMEs), to protect the environment and foster the energy transition by
financing climate adaptation and mitigation projects, to tackle the jobs crisis facing the
EU’s younger generation, to support infrastructure projects, and to help to mitigate the
causes of migration;

4. Considers that the EIB has a relevant financial role, which can bring considerable
results in reduction of inequalities in the Union and calls on the EIB to focus
investments that contribute to the goals of the 2015 Paris Agreement and enhance
competitiveness and equality of opportunities and that support cohesion policy in less
developed regions;

5. Calls on the EIB to continue bridging recurrent investment gaps and ongoing structural
market failures through designing holistic and mid-long term spending, easing the co-
financing at national level and investment plans inter alia towards Union’s regions and
localities which are characterised with low income and which face more investment
barriers;

6. Stresses that the focus of the EIB’s priorities in the 2017-19 Action Plan should be the
effective implementation of the objectives of the Europe 2020 strategy for smart and
sustainable development;

7. Underlines the fact that the EIB’s lending conditions should facilitate the development
of the EU’s peripheral regions by promoting growth and employment; calls on the EIB
to greatly strengthen the arrangements for providing technical assistance and financial
expertise to local and regional authorities before project approval in order to improve
accessibility and ensure that all Member States are involved, especially those with a
lower project approval success rate;
8. Encourages the EIB to shape sustainable finance or funding options and conducive investment environment mirroring the Union’s commitments and policies goals, with a view to fostering economic, social and territorial cohesion and innovation within the Union, as well as to reinforcing the social and environmental dimension of EIB investment by bridging the investment gap in the social sector and with regard to infrastructure safety; calls on the EIB to take into account, in the case of large-scale infrastructure projects, all relevant environmental impact risks and to finance only those which have demonstrated real added value for the local population and from an environmental, social and economic point of view; stresses the importance of strictly monitoring possible risks of corruption and fraud in this context and of carrying out careful ex-ante and ex-post assessments with regard to the projects to be financed;

9. Encourages the EIB to continuously inform stakeholders about financial potentialities and provide adequate advisory services when necessary even though EIB’s instruments are demand-driven;

10. Stresses that, in the framework of the ongoing negotiations on the withdrawal of the United Kingdom from the European Union, detailed arrangements for all the UK’s obligations towards the EIB must be drawn up in order to ensure that the EIB’s ability to achieve its objectives is not affected;

Driving investment in key strategic areas

11. Notes that, according to the EIB Financial Report for 2017, the Bank’s lending signatures for 2017 amounted to EUR 69,9 billion (EUR 62,6 billion within the EU and EUR 7,3 billion outside the EU) which is the lower amount compared to the last 5 years (2013-2016) falling below EUR 70 billion, nevertheless being within the 10 % flexibility margin foreseen in the EIB Operational Plan, notes as well the stability and quality of the overall loan portfolio with a similar 0,3 % of impaired loan contracts compared to 2016;

12. Notes that the European Union provides a guarantee to the EIB, which is normal in the case of financial institutions appointed by the Member States to help meet public targets; points out, however, that the situation requires the most responsible credit policies so that funds are spent effectively for the whole Union, its Member States and the public interest; calls on the EIB, which operates under a development mandate, to ensure better adherence to its environmental and social policy goals and the UN Sustainable Development Goals, including in co-financed projects or contributions to investment funds and private equity funds;

13. Reiterates its concern that half of the Member States received 80 % of the total EIB investment inside the EU while the other 14 Member States received only 10 % of this investment; reiterates additionally that three Member States individually received 16 %, 15 % and 11 % respectively; asks the Bank to include in its reporting breakdown information about its investment in low income and high income regions according to its own Investment Survey (EIBIS) and with regard to the potential effect for overcoming investment gaps and barriers in less favourable regions in the EU;

14. Invites the EIB to examine again its estimates of per capita investments and the ranking of Member States accordingly, since updated figures seem to indicate a ranking in
general corresponding to the ranking according to absolute sums received by Member States;

15. Notes in addition that, according to the EIF Annual Report for 2017, the EIF signed in 2017 transactions totalling EUR 9.3 billion, compared with EUR 9.45 billion in 2016, leveraging EUR 35.4 billion of financing to support SMEs and midcaps in Europe;

16. Takes note of the EIB Group’s financing both inside and outside the EU in 2017 in support of its public policy goals, amounted respectively to: (i) EUR 13.8 billion for innovation and skills, (ii) EUR 18 billion for infrastructure, (iii) EUR 16.7 billion for environment related projects and (iv) EUR 29.6 billion for SMEs and midcaps; underlines the fact that because of their impact and importance to economies, both local and national, investment in SMEs, start-ups, research, innovation, the digital economy and energy efficiency is the most essential factor in driving economic recovery in the EU and promoting the creation of quality jobs;

17. Notes that inside the Union in 2017 EIB lending volume amounted to EUR 18.24 billion for the horizontal objective of economic and social cohesion and the Bank reached 29.6 % out of the 30 % target investments for this objective;

18. Notes that the EIB has committed 25 % of its total financing to projects relating to climate change, rising to 35 % by 2020; points out that this trend should be assessed positively, noting that the projects supported should be effective not only in the fight against climate change but also from a financial perspective;

19. Takes note that inside the Union EUR 16.58 billion were dedicated to climate action horizontal objective through which the EIB contributed to the aligning with the 2015 Paris Agreement and to global sustainable development; encourages the EIB to maintain a high level of ambition in that field;

20. Welcomes the EIB’s commitment to align its operations with the 2015 Paris Agreement by 2020; in the light of the recent IPCC Report, calls on the EIB to review its climate strategy in order to align it with a 1.5°C global warming trajectory;

21. Encourages the EIB to strengthen its presence and activities in the Western Balkan countries, as they are strategically important for the EU and boosting credit and investment activities in the region is crucial;

22. Notes the on-going review of the EIB Energy Lending Criteria; expects this review to be aligned with the 2015 Paris Agreement; reiterates the call to the EIB to prioritise its lending to energy efficient and small-scale, decentralised RES and to present an ambitious plan to stop funding fossil fuels' projects; calls on the EIB to aim to become a climate action leader and to increase investment in the renewable energy and energy efficiency sector, as well as to consider that goal as a priority in the revision of its energy lending criteria;

23. Welcomes, in this context, the EIB’s role in issuing climate awareness bonds (or EUR 4.29 billion compared to EUR 3.8 billion in 2016), corresponding to the bank’s climate action involvement to step up investments in energy efficiency and small-scale renewables with enhanced local and regional impacts;
24. Is of the opinion that the EIB should continue to enhance its role in helping to achieve sustainable development, and that climate action should primarily focus on clean transport and energy production, on reducing energy consumption (for heating, transportation and production), on clean industrial production and sustainable farming and water treatment and supply, and on the environmental transition in general;

25. Recalls that SMEs are the backbone of the European economy and calls on the EIB, therefore, to bridge their lack of access to credit by enhancing existing programmes, such as the European Progress Microfinance Facility, and by increasing the funding allocated to them; calls for the establishment of more proactive SME and micro-enterprise policy requirements for intermediary banks disbursing EIB funds;

26. Points out that the EIB, when providing support to EU companies abroad, should take due account of the EU’s trade strategy, including existing and future free trade, services and investment agreements; points out that, in that context, the EIB should take particular account of the requirements of the internationalisation of European SMEs;

27. Points out that part of the EIB’s overall lending activity is dedicated to operations outside the Union; notes that there must be close coordination and complementarity between the EIB’s external lending activities and the EU External Investment Plan;

28. Acknowledges the EIB efforts to contribute to sustainable development goals and to tackle global challenges related to migration; including with the launching of sustainability awareness bonds to finance the United Nations 17 sustainable development goals;

**Performance of the EIB’s financial operations**

29. Notes with satisfaction the conclusion of the Audit Committee that the Financial Statements adopted by the EIB Board of Directors present a true and fair view of the financial position of the Bank as of 31 December 2017 and of the results of its operations and cash-flows for 2017 in accordance with the applicable accounting framework;

30. Reiterates, however, its demand concerning the EIB annual report and requests the EIB to present a more comprehensive, detailed and harmonised annual activity report and significantly improve the presentation of the information by including detailed and trustworthy breakdowns of the investments approved, signed and disbursed for the given year and the financing sources engaged (own resources, EFSI, EU centrally managed programmes, etc.), as well as such information regarding beneficiaries (Member States, public or private sector, intermediaries or direct recipients), sectors supported, and the results of the ex post evaluations;

31. Takes note of the volume of new special activities signed by the Bank in 2017, corresponding to projects with higher risk profile, amounting to EUR 18,0 billion (2016: EUR 13,1 billion) of which EUR 2,7 billion was at the EIB’s own risk and the remaining EUR 15,3 billion was covered by portfolio credit risk mitigation;

32. Takes note of the reported results of 26 completed projects in 2017 outside the EU to which the assessment through results measurement framework (REM) for external interventions allows appraisal of results not only as expected, but as achieved; observes,
however, that concerning activities inside the EU, information is presented exclusively on the potential impact and expected results of the new operations signed in 2017 based on the three pillar assessment (3PA) tool; reiterates its call on the Bank to include information about results achieved by completed projects inside the EU and to adapt 3PA if necessary for this purpose;

33. Believes there is a need to deepen the verification criteria of the level of EIB’s additionality to better orient its funding, to avoid double targeting and to seek all possible synergies wherever possible;

34. Encourages fostering the performance culture within the EIB by a gradual improvement in particular to narrow the cross-cutting performance indicators on the impact of the EIB’s core operations;

35. Invites the EIB to regularly put forward evidences of sustainability of the outcomes, impacts and results with relevant and up-to-date indicators; believes that improving the suitability and relevance of the indicators in the scoreboard is key not only to show a sense of scope of the results and impact, but to find ways to intervene that are always more effective;

36. Is of the opinion that, beyond the effective level of investment, there is a need to work on the durability i.e. on the ability for a project to keep its benefits on the long term under an environmental, financial, economic or social form (direct or not) after the project has been completed;

37. Welcomes the EIB’s adoption of the exclusion policy approved in December 2017 and calls for that instrument to be used rigorously in order to exclude clients involved in corrupt practices or fraud from EIB funding;

**EFSI development**

38. Takes note that as of end-2017, the EIB group (EIB and EIF) had signed 606 operations under EFSI for a total financing of EUR 37,4 billion and that these operations are expected to mobilise investments of EUR 207,3 billion in all 28 Member States and across all objectives set out in the EFSI Regulation with the following distribution for the main sectors: 30 % for SME, 24 % for RDI, 21 % for energy sector, 10 % to digital area, 8 % for transport, 4 % for social infrastructure and 4 % for environment and resource efficiency; urges the EIB to minimise its investments to carbon-intensive sectors and projects and to increase its share of investments to improving environments and resource efficiency;

39. Notes that as of 31 December 2017, under the Infrastructure and Innovation Window (IIW), the EIB had signed 278 operations for a total financing of EUR 27,4 billion, which are expected to mobilise investments of EUR 131,4 billion in 27 Member States, as well as that under the SME Window (SMEW), the EIF had signed operations with 305 financial intermediaries for a total EIF financing of almost EUR 10 billion, which are expected to mobilise investment of EUR 76 billion in all 28 Member States of the EU; observes that by the end of 2017, a total of 135 785 companies had already received EFSI-supported financing under the SMEW and 1,5 million jobs were created or supported;
40. Reiterates that the actual investment mobilised by EFSI can only be measured at the end of the investment period while taking note that the estimated global multiplier effect of the 606 transactions approved and signed under EFSI at end-2017 stands at 13.53x, slightly below the initial assumption and target of 15x when launching the EFSI; notes that information on how benchmark multipliers were derived is presently spread across EIB Services and recommends all this information to be collected into a standalone document;

41. Observes that no guarantee calls on the Union budget due to defaulting operations were made;

42. Notes that the indicative geographical concentration limits set by the EFSI Steering Board requiring at the end of the investment period, the share of IIW investment (in terms of signed operations) in any three Member States together not to exceed 45% of the total EFSI portfolio has not been respected given that by 31 December 2017 the three Member States with the highest volume of signatures (France, Italy and Spain) accounted for roughly 47% of the volume signed; points out that there is still room for improvement for broadening EFSI territorial distribution of funds while disseminating as well more widely its investment opportunities;

43. Takes note of the evaluation of EFSI and its findings that EFSI and non-EFSI special activity operations have similar risk-profile, as well as that combination between EFSI and ESIF and CEF grants remain limited while there is a risk of EFSI to crowd out ESIF financial instruments; expects that shortcomings and risks identified by the EFSI evaluation will be removed in the implementation of EFSI 2.0;

44. Welcomes the improvement in transparency with the publication of the EFSI investment committee decisions and the documents adopted by the Steering Board together with the minutes of the meetings;

45. Encourages a better synergy between EFSI and national promotional banks as the coordination with NPBs is a recurrent effort that could contribute to the EFSI’s effectiveness;

Human Rights

46. Calls on the EIB to establish a Human Rights Strategy and enhance its due diligence at project level to identify and address human rights relates risks in all its activities and throughout the lifespan of its projects; also calls on the EIB to set up an effective mechanism whereby human rights defenders could safely alert the bank about deteriorating environment or risks of conflict and reprisal;

Enhancing transparency and accountability in EIB corporate governance and activities

47. Takes note of the observations of the Audit Committee in its Annual Report to the Board of Governors for the 2017 Financial year regarding:

(a) the importance of ensuring the long-term financial strength and sustainability of the EIB and maintaining its AAA rating in an environment of uncertain geopolitical, economic policy, regulatory and macroeconomic developments;
(b) the need to review and enhance the EIB Group’s Internal Control and Risk Management environment in view of the changing size and evolving complexity of EIB Group activities;

(c) the need to achieve full implementation of best banking practice including in areas where pervasive compliance gaps remain;

(d) the need to perform a comprehensive review and then revamp the credit approval and related decision-making process at EIB, since the loan appraisal and approval process and respective control environment does not appear to be able to cope with the current business needs and is evidence of pressure on services;

48. Strongly shares the regret of the Audit Committee that progress has not yet been made by the EIB to address the concern expressed in three consecutive years (2015, 2016 and 2017) about the existing combination of responsibilities amongst certain members of the Management Committee; fully agrees and supports the recommendation of the Audit Committee that all Members of the EIB Management Committee should be able to act objectively, critically and independently, and that unorthodox combinations of responsibilities, such as the responsibility for the oversight of both first and second line of defence activities, should cease;

49. Asks the EIB, in this regard, to seriously take into consideration this recommendation and to ensure clear division of responsibilities at the level of the Management Committee; welcomes the initiated reform to alter the governance structure of the EIB;

50. Calls on the EIB to close the existing gaps in the applicable best banking practice framework and expects that this framework has become fully operational in 2008 since its implementation is considered as a precondition of preserving EIB’s financial strength and stability;

51. Is worried of the conclusion of the Audit Committee that the rapid expansion of the EIB activities and capacity related to implementation of EFSI, of mandates under management on behalf of third parties and the provision of advisory services has not necessarily been matched by relevant adaptations in business structure or processes; notes that in 2017 the Audit Committee retains five of its recommendations from 2015 and 2016 related to internal control and risk environment; calls on the EIB to implement these recommendations as a matter of priority and to ensure that internal processes, cyber security and risk management meet new and growing demands and challenges for the EIB Group;

52. Considers that the EIB should increase its transparency, vis-à-vis not only the European Parliament, but also the authorities of the Member States; believes that it is only right that democratic representatives should have more information about the activities of the EIB;

53. Considers that there is room for improvement on transparency both at governing bodies’ and the operational level; reiterates the need to systematically disclose 3PA and REM sheets; asks for the non-confidential information from the minutes of Management Committee and Board of Governors meetings to also be disclosed; notes with appreciation that the EIB started in 2017 to publish minutes of the EIB board of
directors, the directors’ declaration of conflict of interests and certain information on projects namely the environmental impact assessments;

54. Reiterates that transparency, strong due diligence and control 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 based on thorough due diligence and ‘Know Your Customer’ policy, but contributes also to enhancing the overall effectiveness and sustainability of the projects funded;

55. Reiterates its call on the EIB to extend the information published for projects implemented through intermediaries by including information on final projects which could allow to assess the economic and social impact of its investments;

56. Recalls that the governance process should better take into account the results of the dialogue or consultation with civil society organisations or specific interest or concerns from local and regional actors with a view to allow a more informed and legitimate democratic decision-making;

57. Is concerned at the findings set out in the annual report of the European Court of Auditors, according to which serious flaws have been uncovered regarding the European Investment Fund: the Court of Auditors points out a regulatory irregularity whereby Member State audit authorities were obliged to audit SME initiatives yet did not have the right, under the legislation in force, to carry out on-the-spot checks;

58. In the 30 investments examined by the Court of Auditors, financial intermediaries had approved loans to five recipients without confirming their SME status; these projects were not deemed eligible by the European Court of Auditors, while another four loans were taken up by the beneficiaries either partially or in full for non-eligible activities;

59. Welcomes the fact that the problems uncovered by the Court of Auditors have, in theory, been solved by the amended Financial Regulation; calls on the EIB to cover issues connected to the regulatory flaws in its next annual report and ensure that the amended Financial Regulation enables Member State audit authorities to carry out audits even at final beneficiary level;

60. Welcomes the adoption of the Interim Approach to the EIB policy towards weakly regulated, non-transparent and uncooperative jurisdictions (NCJ), adopted by the Board of Directors in January 2017, but expects that it should lead to the revision of this policy in order to ameliorate the EIB’s tax due diligence in its external lending alongside the revised EIB group AML-CFT framework;

61. Calls on the EIB to perform adequate corporate and integrity due diligence to identifying the true beneficial owners of all of its clients and operations as well as ultimate investee companies when EIB investments into equity funds are at stake; calls on the EIB to disclose, on its own website, beneficial ownership data relating to its clients in order to increase the visibility of its operations and help prevent cases of corruption and conflict of interest;

62. Calls on the EIB, in line with the Council conclusions adopted on 25 May 2018 on the EU standard provision on good governance in tax matters for agreements with third
countries, to reinforce the link between EIB funding and tax good governance; believes that the EIB should further contribute to the development of best practices for fair taxation by countering tax evasion and tax avoidance; calls on the EIB to adopt responsible taxation policy ensuring that the EIB does not finance clients involved in tax avoidance and tax evasion schemes or operating via tax havens; calls for the EIB to include standard provision and clauses on good governance in its contracts with all selected financial intermediaries;

63. Emphasises that the revised External Lending Mandate of the EIB makes it clear that the EU black list is binding to the Bank, and that EIB operations shall not support projects that contribute to money laundering, terrorism financing, tax avoidance, tax fraud and tax evasion;

64. Notes that end 2017, the EIB had 136 fraud cases under investigation, the three following main types of allegations being fraud with 53.7%, corruption with 25.5% and collusion with 10.7%;

65. Notes that EIB funds have been used by companies implicated in the Emissions Scandal, specifically Volkswagen, and that they may therefore have been used to finance activity that was unethical and illegal;

66. Notes that the number of new admissible complaints rose from 84 in 2016 to a new all-time high of 102 in 2017 and that 173 complaints were handled in 2017; takes note that 38 of the complaints received in 2017 relate to only two EIB investment projects: the Trans Adriatic Pipeline and Mombasa Port Access Road in Kenya;

67. Notes the revision of the EIB Complaints Mechanism policy and the inclusion of the examples given by the European Ombudsman for the definition of maladministration, that includes forms of poor or failed administration such as administrative irregularities, unlawful discrimination, unjustified refusals of information, abuse of power and unnecessary delay, however, expresses its concern with the remaining part of the outcome of the revision;

68. Regrets that the EIB has not taken into consideration the concern of Parliament with regard to the revision of the EIB Complaints Mechanism expressed in paragraph 86 of its Resolution of 3 May 2018 on the Annual report on the control of the financial activities of the EIB for 2016; deeply worries that the approved revised Complaints Mechanism creates serious risk for its independence and the transparency of its investigations and conclusions; calls on the EIB to ensure that the Head of the EIB Complaints Mechanism is able to take all decisions concerning admissibility and eligibility of the complaint, independently from the other EIB services, and that the recruitment procedures for the Head of the CM become more transparent;

69. Takes note of the Ombudsman Decision in case 1316/2016 TN on allegations in the EIB’s transparency policy from 23 May 2018 and invites the Bank to implement the suggested improvements by the Ombudsman concerning removal of the presumption of non-disclosure related to documents collected and generated during inspections, investigations and audits, as well as redrafting relevant provisions of its Transparency policy related to intermediated loans and deadlines for handling information requests;
70. Recalls the need to provide for more stringent rules on conflicts of interest and for clear, strict and transparent criteria to prevent any form of influence or lack of objectivity in the mechanism of attribution of loans; reiterates that the EIB must revise its Code of Conduct as soon as possible in order to make sure that its Vice-Presidents are not in charge of operations in their home Member States, since this poses a risk to the independence of the institution; calls on the EIB, in order to better prevent conflicts of interest in its governing bodies and potential ‘revolving door’ issues, to take into consideration the Ombudsman’s recommendations and to revise its Code of Conduct;

71. Expects the EIB whistle-blower protection policy, currently being revised, to be ambitious and provide for high standards; urges the EIB to include in that revision both internal and external whistle-blowers and to establish clear and well-defined procedures, time frames and guidelines in order to provide whistle-blowers with the best guidance and protect them from any possible retaliation;

European parliament scrutiny

72. Supports the European Court of Auditors’ position that the Court should be mandated to audit all EIB operations including those where the EIB uses non-EU budget funds for its operations;

73. Calls on its Committee on Budget Control to organise an annual workshop/hearing on activities and control of the EIB operations that would provide the Parliament with additional relevant information to support its work on the scrutiny of the EIB and its operations;

Follow-up of Parliament’s recommendations

74. Reiterates its call on the EIB to report on the state of play and status of the previous recommendations issued by Parliament in its annual resolutions, especially as regards:

(a) the impact of its lending activities and results achieved;

(b) prevention of conflict of interests especially of the members of the EFSI Investment Committee and the EIB Board of Directors and provision of more stringent rules on conflicts of interest in the relevant Code of Conducts and especially of that of the Management Committee and the Board of Directors;

(c) transparency and disclosure of information on contracting and subcontracting system concerning intermediaries and final recipients in relation to prevention of tax avoidance, fraud and corruption;

75. Instructs its President to forward this resolution to the Council and the Commission.