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12. Calls on the VP/HR, the EEAS and the Commission to place at the top of the agenda for their talks with ENP southern countries the EU's political priorities of death penalty abolition, respect for human rights – including women's human rights – and fundamental freedoms, and the ratification of a number of international legal instruments including the Rome Statute of the International Criminal Court and the 1951 Convention relating to the Status of Refugees;

13. Instructs its President to forward this resolution to the Council, the Commission and the Vice-President of the Commission/High Representative of the Union for Foreign Affairs and Security Policy.

EIB annual report for 2009

P7_TA(2011)0156

European Parliament resolution of 7 April 2011 on the 2009 Annual Report of the European Investment Bank (2010/2248(INI))

(2012/C 296 E/19)

The European Parliament,

- having regard to the EIB Group's 2009 Annual Report (Activity and Corporate Responsibility Report, Financial Report and Statistical Report),
- having regard to its resolution of 6 May 2010 on the European Investment Bank's annual report for 2008 ⁽¹⁾,
- having regard to its resolution of 25 March 2009 on the 2007 Annual Reports of the European Investment Bank and the European Bank for Reconstruction and Development ⁽²⁾,
- having regard to its resolution of 16 June 2010 on EU 2020 ⁽³⁾,
- having regard to Rule 48 of its Rules of Procedure,
- having regard to the report of the Committee on Economic and Monetary Affairs and the opinion of the Committee on Budgetary Control (A7-0073/2011),

The new Statute of the EIB

1. Welcomes the changes brought about by the Lisbon Treaty, allowing more flexibility in EIB financing, including: equity participations as a complement to the ordinary activities of the Bank; the possibility to establish subsidiaries and other entities, to regulate the so-called special activities and to provide wider technical assistance services; and the strengthening of the Audit Committee;

2. Recalls the changes brought about by the Lisbon Treaty, clarifying the objectives of EIB financing in third countries, which must support the overarching principles governing EU interaction with the wider world as stated in Article 3(5) TEU and under the guarantee must support the aims of EU external actions set out in Article 21 TEU;

⁽¹⁾ OJ C 81 E, 15.3.2011, p. 135.

⁽²⁾ OJ C 117 E, 6.5.2010, p. 147.

⁽³⁾ Texts adopted, P7_TA(2010)0223.

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3. Is aware of the request by some Member States for the EIB to take on more risk in its financing operations but draws attention to the fact that this should not endanger the EIB's AAA rating, a key factor in enabling it to provide its loans under the best conditions;
4. Recalls that the EIB's aim is to support the EU's policy objectives and that it is accountable to the Court of Auditors, OLAF and the EU Member States, as well as, on a voluntary basis, to the European Parliament;
5. Recommends, however, considering the suggestion that prudential regulatory supervision should be introduced concerning the quality of the EIB's financial situation, the precise measurement of its results and compliance with the rules of sound business practice;
6. Proposes that this regulatory supervision:
 - be exercised by the European Central Bank on the basis of Article 127(6) TFEU;
 - or, failing that and on the basis of a voluntary approach by the EIB, be carried out by the European Banking Authority with or without the participation of one or more national regulators, or by an independent auditor;
7. Calls on the Commission to provide Parliament, by 30 November 2011, with a legal analysis of the possible options for prudential supervision of the EIB;
8. Proposes that the Commission, in conjunction with the EIB (in view of the quality of the latter's human resources and its experience in financing major infrastructure), engage in a process of strategic analysis of investment funding, without ruling out any possible scenario, including subsidies, the release of sums subscribed to the EIB's capital by the Member States, EU subscriptions to the EIB's capital, loans, innovative instruments, financial engineering tailored to long-term projects which are not immediately profitable, the development of guarantee systems, the creation of an investment section within the EU budget, financial consortia of European, national and local authorities, and public-private partnerships;
9. Recalls, nevertheless, its warnings and concern about the fact that some of the EIB's management of EU programmes and funds has been excluded from the discharge procedure, thereby generating special requirements for coordination between the Commission and the EIB and making it difficult to gain an overview of the results obtained; stands by its demand that the EIB submit full information on outcomes: objectives set and achieved, reasons for any shortcomings and results of assessments carried out; calls on the Commission to provide detailed information on coordination procedures with the EIB and their effectiveness;
10. Calls on the Commission to obtain a statement from the EIB concerning activities with major multiplier effects which are guaranteed by the EU budget;
11. Stresses that, as at the end of 2009, EU budget guarantees for loans granted by the EIB amounted to EUR 19,2 billion; emphasises that this is a significant amount for the EU budget, and awaits a detailed explanation of the risks involved; takes the view that the EIB should also explain how the loan interest generated by means of these substantial guarantees is used;
12. Requests a detailed explanation of the administration fees received from the EU budget by the EIB;

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13. Reiterates its proposal for the European Union to be able to become a member of the EIB;

EIB financing in the EU

The global financial crisis and its implications for the EIB

14. Welcomes the Bank's focus on the three areas where the crisis has hit Europe hardest, namely small and medium-sized enterprises, convergence regions and climate action;

15. Recognises the critical role the EIB plays in supporting SMEs, particularly in times of financial crisis and economic downturn, and calls on it to facilitate the interplay of its global loan scheme with Structural Fund grants;

16. Points out the importance of SMEs to the European economy and therefore welcomes the increase of EIB financing to SMEs over 2008 to 2010, totalling the amount of EUR 30,8 billion, and recognises that this amount exceeds the annual target amount of EUR 7.5 billion for this period; welcomes the setting-up of the European Progress Microfinance Facility in March 2010 with some EUR 200 million of funding from the Commission and the Bank; underlines, however, the difficulties faced by SMEs in trying to obtain credit and, in this respect, calls on the EIB to continue enhancing transparency in its lending through financial intermediaries; to this effect, calls for the establishment of clear financing conditions and stricter lending effectiveness criteria for its financial intermediaries; calls for an obligation for the EIB to report annually on its lending to SMEs, including an evaluation of the accessibility and effectiveness thereof and of the measures directed towards achieving a greater penetration rate;

17. Recommends that the EIB's role be more focused, selective, effective and result-oriented; takes the view that in reaching small and medium-sized enterprises, it should especially partner transparent and accountable financial intermediaries linked to the local economy; considers that with regard to lending to SMEs, the EIB should actively disclose information through its website, in particular the amount disbursed, the number of allocations made so far, and the regions and sectors of industry to which disbursements have been made; takes the view that information on the conditions that the financial intermediary should fulfil should also be supplied;

18. Welcomes the fact that access by the EIB to ECB liquidity via the Luxembourg Central Bank has been agreed with a view to facilitating the EIB's lending programmes and liquidity management;

19. Notes that the convergence objective of the EU Cohesion Policy is a core target for the EIB; stresses the added value of the EIB joint actions with the Commission in the area of technical assistance (JASPERS), which provide additional support and leverage to Structural Fund intervention;

20. Encourages the EIB to further provide regions covered by the Convergence Objective with the technical assistance and cofinancing that they need in order to be able to take up a larger portion of the funds available to them, especially for projects in priority sectors, such as the transport infrastructure sector, and other growth- and employment-enhancing projects and projects forming part of the Europe 2020 Strategy, in accordance with high social, transparency and environmental standards;

21. Calls on the EIB to bring its operations fully into line with an EU objective of a swift transition to a low-carbon economy and to adopt a plan for the phase-out of fossil fuel lending, including its lending for coal-fired power plants, and for the redoubling of efforts to increase the transfer of renewable-energy and energy-efficient technologies;

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22. Expresses its concern about the persistent lack of transparency regarding the way in which 'global loans' are allocated and monitored in terms of tax governance, and therefore considers it necessary to ensure that recipients of loans do not avail themselves of tax havens or use other tax evasion practices;

23. Calls for greater coherence between the activities of the EIB and the EIF, notably in order to gear the orientation of the EIF more closely to the Europe 2020 objectives, and asks, in this respect, for the division of labour between the entities and the use of their respective balance sheets to be optimised;

24. Welcomes the decision of the EIB Group to cooperate more closely with the Commission in the framework of cohesion policy with regard to the three joint initiatives JESSICA, JEREMIE and JASMINE, which are aimed at making cohesion policy more efficient and effective as well as strengthening the leverage function of the Structural Funds; recognises that the above cooperation has proven useful and beneficial, in particular in the context of the economic crisis;

EIB financing after 2013

25. Takes the view that the time has come for strategic long-term investment in Europe to be substantially increased, with a particular focus on key areas of European infrastructure and cohesion; asks, in this connection, that:

— the Bank's activities be more transparent to Parliament,

— the EIB be clearly accountable to Parliament,

— financial instruments be used in a targeted manner;

26. Encourages the EIB to develop its post-2013 Operational Strategy in line with the Europe 2020 strategy;

27. Believes that the Europe 2020 Strategy takes an interesting and positive approach to financial instruments; in order to reinforce their efficiency, asks the EIB and the Commission to bear in mind the following objectives: simplifying procedures and maximising multiplier factors and the EIB Group's catalytic effect in order to attract public- and private-sector investors;

28. Invites the EIB to continue to give joint initiatives with the Commission a major role in the context of its collaboration with the Commission, particularly as regards cohesion policy; recognises the role that these initiatives have as catalysts for further development, *inter alia* with regard to the preparation of the next programming period post-2013;

29. Encourages the EIB to state a ranking of priorities in its investment projects, using methodologies like cost-benefit analysis to achieve the highest possible multiplication effect on GDP;

30. Supports high-quality investment stakeholders such as the EIB, particularly in view of its expertise in the use of innovative instruments such as the Structured Finance Facility, the Risk Sharing Finance Facility (RSFF) and the European Clean Transport Facility (ECTF);

31. Encourages the extension of the blending of EU grants with EIB loans as a means of increasing the leverage of available resources, provided that the new financial instruments are smart, integrated and flexible;

32. Considers that the extensive experience in creating and using financial instruments during the present programming period should permit both the Commission and the EIB to go beyond the current scope and use of these instruments and to innovate by extending the range of products offered;

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33. Is of the opinion that clear and separate objectives and legal frameworks are needed for bonds issued by the EIB for its own financing, as well as for future 'project bonds';

34. Points to the fact that the EIB is financing itself by successfully issuing common bonds backed by all EU Member States;

35. Welcomes the idea of 'project bonds' aimed at enhancing the credit rating of bonds issued by companies themselves within the framework of the Europe 2020 Strategy and used to finance European transport, energy and IT infrastructures and the greening of the economy; believes that such project bond issuance would impact positively on the availability of capital for growth- and job-enhancing sustainable investments complementing national and Cohesion Fund investment; considers that this instrument should enhance the credit rating of selected projects and attract private financing to complement national and Cohesion Fund investment;

36. Asks the Commission and the EIB therefore to present concrete proposals to create 'project bonds'; stresses that Parliament must be fully involved in establishing such instruments and asks for thought to be given to the use of the EU budget in the next Multiannual Financial Framework as first loss-capped risk buffer, with the EIB as subordinate financier;

37. Believes that there is a clear need for additional support by the EIB in the following areas: SMEs, midcaps and infrastructure and other key growth- and employment-enhancing projects as part of the Europe 2020 Strategy;

38. Urges the EIB to invest in freight transport in the European railway sector as well as in other Trans-European Networks of freight transport with a focus on the Mediterranean, Black Sea and Baltic Sea ports, in order to link them definitively to European markets;

39. Urges the EIB to provide more support for the building of the TEN-T network, with the aim of generating a leverage effect for more investment, from both the public and the private sector; considers that, here too, 'project bonds' can act as a complementary investment instrument alongside the budget in the TEN-T fund; urges that future investment be concentrated on cross-border sections of the TEN-T network in order to optimise the European added value generated;

40. Urges the EIB to invest in the Nabucco gas pipeline and other important TEN-E projects that will allow future EU energy demand to be met, diversifying Europe's pool of supplier countries, improving the EU's policy mix and helping to meet the Union's environmental commitments;

EIB financing outside the EU

The EIB's role in accession countries

41. Takes the view that, as part of its activities in the accession countries, the EIB should increase its focus on energy efficiency measures, renewable energy and environmental infrastructure, TENs and TEN-Es, and PPPs, in accordance with high social, transparency and environmental standards, and that, in line with EU climate objectives, it should prioritise sustainable modes of transport, in particular rail;

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42. Takes the view that the EIB should provide technical assistance to accession countries, as is provided for in the new Article 18 of the Bank's Statute;

The EIB's role in development

43. Welcomes the Lisbon Treaty amendment to Article 209 EC (read in conjunction with Article 208 EC), which provides that the EIB shall contribute, under the terms laid down in its Statute, to the implementation of the measures necessary to further the objectives of the Community's development cooperation policy;

44. Recalls that the EIB's financing strategy and operations should contribute to the general principles guiding the EU's external action, as referred to in Article 21 TEU, to the objective of developing and consolidating democracy and the rule of law, to the objective of respecting human rights and fundamental freedoms and to the observance of the international environmental agreements to which the European Union or its Member States are parties; recalls that the EIB must ensure compliance with the provisions of the Aarhus Convention on Access to Information, Public Participation in Decision-Making and Access to Justice in Environmental Matters, at all the relevant stages in each project;

45. Welcomes the conclusion of the Steering Committee of Wise Persons (SCWP) that thought should be given to developing an 'EU Platform for External Cooperation and Development'; however, urges the EIB and other European institutions to carefully address the feasibility of this new approach and its implications in the long run for the effectiveness of overall EU external action to avoid overall development policies and objectives being diluted by setting up instruments with no preliminary assessment of the goals and priorities they will serve;

46. Welcomes the proposed new decision that would strengthen the capacity of the EIB to support EU development objectives, replace regional objectives with horizontal high-level objectives and develop operational guidelines for each region under the external mandate; recalls the need for setting clear priorities, including renewable energy, urban infrastructure, development of municipalities, and locally owned financial institutions;

47. Recommends the following steps to strengthen the EIB's role in development:

- the allocation of a greater number of dedicated and specialist staff with expertise in development issues and developing countries, as well as an increase in the local presence of staff in third countries,
- increasing the share of the participation of local actors in the projects,
- additional dedicated capital in the area of projects targeting development,
- the allocation of more grants,
- exploring the possibility of grouping the EIB's activities in third countries together under a single separate entity;

48. Recommends that the EIB focus on investing in renewable energy projects in developing countries, with a particular focus on sub-Saharan Africa;

Cooperation between the EIB and international, regional and national financial institutions

49. Recognises that the cooperation between the EIB and MDBs, RDBs, European bilateral development agencies and public and private financial institutions from developing countries should be increased in support of EU policies;

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50. Believes that greater cooperation under the same conditions and based on reciprocity with regional and national financial institutions is necessary in order to ensure a more effective use of resources and the targeting of specific local needs;

51. Encourages the signing of the Memorandum of Understanding currently being negotiated between the EIB, the EBRD and the Commission with a view to strengthening cooperation in all common countries of operation outside the EU with the dual aim of making their lending policies coherent with each other and with EU policy objectives such as social cohesion and environmental protection;

Offshore financial centres

52. Calls on the EIB to establish clear financing conditions for financial intermediaries and to report on the progress made in terms of transparency and increased accountability, in particular when it comes to lending through financial intermediaries; considers that the EIB should update and make stricter its policy on offshore financial centres, going beyond the existing level playing field of OECD lists and taking into account all jurisdictions that might allow tax avoidance and evasion;

53. Is of the opinion that relying on the OECD's list of offshore financial centres is not sufficient and that all internationally recognised lists should apply until the EU has established its own list; considers, however, that the EIB should perform its own independent assessment and monitoring of relevant non-cooperative jurisdictions, and regularly make public its results, which would complement analyses from international and EU Reference Lists;

54. Is of the opinion that the EIB must not participate in any operation implemented through a non-cooperative jurisdiction, as identified by the OECD, the FATF and other relevant international organisations, as well as its own independent assessment and monitoring;

55. Is of the opinion that EIB should apply its updated and published policy on NCJ/OFC in a very strict manner in order to ensure that its financing operations do not contribute to any form of tax evasion or money laundering;

56. Asks the EIB to include in its Annual Report to the EP details concerning the implementation of its policy on offshore financial centres, in particular by reporting the number of applications turned down due to non-compliance and the number of relocations requested and implemented in order to be in compliance;

57. Calls on the EIB to further enhance a proactive and timely disclosure of project information, including its own assessments of the environmental, social, human rights and development impacts of the project, monitoring reports and ex-post evaluation reports;

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58. Instructs its President to forward this resolution to the Council, the Commission, the European Investment Bank, the World Bank Group, all regional development banks, and the governments and parliaments of the Member States.
