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2006 Annual report of the EIB

P6_TA(2008)0132

European Parliament resolution of 22 April 2008 on the European Investment Bank's annual report for 2006 (2007/2251(INI))

(2009/C 259 E/03)

The European Parliament,

- having regard to Articles 266 and 267 of the EC Treaty, on the subject of the European Investment Bank (EIB), and to the Protocol (No 11) on the Statute of the EIB ⁽¹⁾,
- having regard to Article 248 of the EC Treaty, on the subject of the role of the Court of Auditors,
- having regard to the Treaty of Lisbon, signed on 13 December 2007 by the Heads of State and Government of the Member States of the European Union,
- having regard to its resolution of 15 February 2007 on the EIB annual report for 2005 ⁽²⁾,
- having regard to the Council Decision 2007/247/EC of 19 April 2007 on the Community participation in the capital increase of the European Investment Fund ⁽³⁾,
- having regard to the judgment of the European Court of Justice of 10 July 2003 on the subject of the power of the European Anti-Fraud Office (OLAF) to investigate the EIB ⁽⁴⁾,
- having regard to the Council Decision 2006/1016/EC of 19 December 2006 ⁽⁵⁾ granting the EIB a new mandate authorising it to grant loans to the value of EUR 12,4 billion to the neighbouring countries of the European Union,
- having regard to Regulation (EC) No 680/2007 of the European Parliament and of the Council of 20 June 2007 laying down general rules for the granting of Community financial aid in the field of the trans-European transport and energy networks ⁽⁶⁾ and to Decision No 1982/2006/EC of the European Parliament and of the Council of 18 December 2006 concerning the Seventh Framework Programme of the European Community for research, technological development and demonstration activities ⁽⁷⁾ (which relates to the Risk-Sharing Finance Facility (RSFF)),
- having regard to the signing on 11 January 2008 by the EIB and the Commission of the cooperation agreement establishing the Loan Guarantee Instrument for Trans-European Transport Network Projects (LGTT),
- having regard to Decision 1639/2006/EC of the European Parliament and of the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013) ⁽⁸⁾,
- having regard to the EIB's 49th annual report (2006) and to its policy of disclosure of 28 March 2006,
- having regard to the 'European Principles for the Environment' launched by the EIB in 2006,
- having regard to the Bank's Operational Plan 2007-2009, as approved by its Board of Directors at its meeting of 12 December 2006,

⁽¹⁾ Protocols annexed to the Treaty establishing the European Community.

⁽²⁾ OJ C 287 E, 29.11.2007, p. 544.

⁽³⁾ OJ L 107, 25.4.2007, p. 5.

⁽⁴⁾ Case C-15/00, *Commission/EIB*, ECR 2003, p. I-07281.

⁽⁵⁾ OJ L 414, 30.12.2006, p. 95.

⁽⁶⁾ OJ L 162, 22.6.2007, p. 1.

⁽⁷⁾ OJ L 412, 30.12.2006, p. 1.

⁽⁸⁾ OJ L 310, 9.11.2006, p. 15.

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- having regard to the speech delivered by Philippe Maystadt, President of the EIB, to the Committee on Budgetary Control on 11 September 2007,
 - having regard to the financial statements for 2006, which have been approved and given a favourable audit opinion by an independent auditor and by the EIB's Audit Committee,
 - having regard to the study on the new financial instruments for European transport infrastructure and services ⁽¹⁾,
 - having regard to the work and conclusions of the symposium held in Clermont-Ferrand (France) on 14 December 2007 on the subject of the 'planning and development of the territory of the European Union: the challenge of investments in the Union and their funding: the place of the European Investment Bank',
 - having regard to the progress of the EIB's review of its anti-fraud policies and procedures which is underway,
 - having regard to the Paris Declaration on Aid Effectiveness, adopted on 2 March 2005, and to the European Union Consensus on Development ⁽²⁾,
 - having regard to Rules 45 and 112(2) of its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A6-0079/2008),
- A. whereas it is the task of the EIB to contribute towards the steady, balanced development of the internal market, using both the capital markets and its own funds,
- B. having regard to the role of the EIB in the harmonious development of the European Union as a whole and in reducing the disparities in the development of the various regions, including the most remote regions,
- C. having regard to the subscribed capital of the EIB, which amounted to EUR 163,7 billion on 31 December 2006, of which the Member States have paid up EUR 8,2 billion,
- D. whereas the Statute of the EIB provides that the totality of the loans and guarantees granted by the EIB must not exceed 250 % of its subscribed capital,
- E. whereas the EIB is not subject to the Basel II obligations, but has decided to comply voluntarily with these rules in so far as they are applicable to its activities,
- F. having regard to the agreement by the Luxembourg Financial Sector Supervisory Commission to monitor closely the EIB's management and risk policies, but only in an informal and purely consultative capacity, leaving it to the EIB to define the framework for application of Basel II in the light of its own needs,
- G. whereas the EIB has made the reliable, competitive and sustainable supply of energy one of its priorities, in addition to economic and social cohesion, support for research, technology and innovation, Trans-European Networks (TENs) in the fields of transport and energy, the long-term viability of the environment, the fight against climate change, and support for small and medium-sized enterprises (SMEs),
- H. having regard to the European Union's considerable infrastructure financing needs, which are assessed at EUR 600 billion ⁽¹⁾,
- I. having regard to the crucial role of the EIB in developing TENs by making various instruments and mechanisms available,

⁽¹⁾ PE 379.207, IP/B/TRAN/IC/2006-184.

⁽²⁾ Joint statement by the Council and the representatives of the governments of the Member States meeting within the Council, the European Parliament and the Commission on European Union Development Policy: 'The European Consensus' — The European Consensus on Development (OJ C 46, 24.2.2006, p. 1).

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- J. having regard to the difficulties encountered by the EU in funding projects that are European in scale, such as the Galileo project,
- K. having regard to the quality of the EIB's human resources, particularly in the fields of financial engineering and help in setting up projects,
- L. having regard to the prominent role played by the EIB in financing projects in the developing countries,

General remarks

- 1. Congratulates the EIB on its 2006 activity report and encourages it to continue with its activities to promote the development of the European economy and foster growth, job creation, and inter-regional and social cohesion;
- 2. Welcomes the EIB's transparency and its full cooperation with Parliament;
- 3. Calls for an information session to be held on at least an annual basis between the EIB and Parliament's Committee on Budgetary Control concerning the execution of the European Development Fund (EDF) investment facility, in parallel with the EDF discharge procedure;

Budgetary control and management

- 4. Invites the EIB to make every effort to retain the AAA rating which safeguards its activities and the best rates for its loans, and to adapt its prudential policy with this in mind without, however, neglecting very long-term investment;
- 5. Emphasises that the EIB pursue a 'zero-tolerance' policy towards fraud and corruption, and welcomes the rise in the number of investigations and the increased cooperation with the European Anti-Fraud Office (OLAF); also calls on the EIB, in adopting its anti-fraud policy and procedures, to include measures leading to:
 - (i) an administrative debarment mechanism for companies found guilty of corruption by the EIB and other multilateral development banks;
 - (ii) a whistleblower protection policy; and
 - (iii) a review of the existing procurement guidelines;
- 6. Welcomes the existence of a complaints office to receive and deal with external complaints, as well as of an appeals mechanism for complaints received via the European Ombudsman; welcomes and actively supports dialogue between the European Ombudsman and the EIB; calls on the EIB consequently to review its internal grievance mechanism and issue new appeal mechanism guidelines extended to all EIB-financed operations;
- 7. Welcomes the EIB's desire for transparency in the framework of its disclosure policy, and the large amount of information that it makes available to the general public, including, annually, the lists of projects funded, with brief information concerning those projects; encourages the EIB to develop the activities of its Operations Evaluation department, which carries out an *ex post* evaluation of a representative sample of projects and programmes;

Accounting and prudential control mechanisms and result measurement mechanisms

- 8. Notes the favourable opinion of the external audit and the conclusions of the annual report of the Audit Committee; reiterates its desire to see the EIB subject to the same prudential rules as credit establishments and to real prudential control, while at the same time noting that these rules do not apply to comparable international financial institutions;
- 9. Calls for an independent regulatory mission to be established to oversee the quality of the EIB's financial situation and ensure that its results are accurately measured and the profession's rules of good conduct observed; recommends that this be implemented while strengthening the independent Audit Committee of the EIB;

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10. Suggests that the EIB apply to the Committee of European Banking Supervisors (CEBS) for an opinion on this regulatory mission, which should state who could carry it out pending the establishment of an official European banking regulator; suggests that every possible scenario should be envisaged, including, for example, involvement of the CEBS, a national regulator or a number of national regulators on an annually rotating basis;
11. Congratulates the EIB on its efforts in incorporating International Financial Reporting Standards (IFRS) into its consolidated financial statements, as well as into those of the European Investment Fund (EIF), for which 2006 was the first financial year in which the IFRS accounting standards were applied;
12. Shares, on condition that full information is given to third parties, the EIB's reservations about applying IFRS accounting standards too hastily to the statutory accounts, before broad consensus has emerged in the Member States regarding, for example, fair value accounting, which could introduce a large element of volatility into the determination of the EIB's unconsolidated financial results;
13. Recommends, nevertheless, that a technical watch be kept on this issue, which will become crucial in terms of presentation, approval and use of accounting results with the development of venture capital operations, financing of SMEs and the financial engineering that the EU will have to put in place to finance its infrastructure;
14. Notes the methodological choices adopted by the EIB to assess credit risks with a view to offsetting the disadvantages arising from lack of experience of losses on credits, while drawing attention to the need to introduce preventive measures to minimise the risks as regards maximum safeguarding of financial resources with a view to ensuring implementation of the goals of European policy;
15. Notes the efforts made to overcome these difficulties on the basis of techniques for transposing internal and external parameters, and wishes to receive information about the new methods introduced to rate EIB clients and evaluate credit risks; notes, with reference to securitisation operations, that the simplified approach adopted at present could be reviewed at a future time;
16. Hopes, with regard to the application of Basel II, that the EIB can show that it is able to carry out its mission with its own funds, amounting to EUR 33,5 billion, and to maintain the best rating of AAA;

Strategy and objectives

17. Welcomes the approach adopted in the new strategy for 2007-2009, including the reinforcement of value added, the gradual increase in risk taking, inter alia in activities for the benefit of SMEs and local government, the use of new financial instruments and the stepping-up of cooperation with the Commission; unreservedly supports the EIB's programme of activities for 2007-2009;

New strategic priorities and instruments

18. Welcomes the incorporation of promoting reliable, competitive and sustainable energy into the main features of the EIB's programme of activities, including alternative and renewable energy sources and calls for the development of environmentally friendly funding criteria, in line with the EU's strategic goals of reducing greenhouse gas emissions;
19. Welcomes the fact that sustainable development remains a fundamental requirement for the EIB; congratulates the EIB on its excellent results in terms of loan activity to promote environmental protection and social and economic cohesion; encourages the EIB to reinforce its environmental and social policies, to further improve and update its current standards, in particular concerning its external lending activities; asks the EIB to clarify the aims and methodology of its appraisal process, to integrate a wider range of social and environmental factors into its operations and to ensure the coherence of these activities, more specifically on the African continent, with the European Consensus on Development and the achievement of the UN Millennium Development Goals; asks the EIB to ensure that it engages actively with civil society, inter alia by means of consultation procedures;

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20. Congratulates the EIB on the framework contracts signed by the EIB and the Commission: the RSFF and the LGTT; encourages the Commission and the EIB to develop more joint instruments in support of EU policies, while making efforts to mobilise more private capital to ensure full implementation of the EIB priority goals;

Financing major infrastructure projects

21. Recalls that, although its activities are complementary to those of the private sector, the EIB must avoid all competition with the private sector in seeking an optimal leverage effect for financing European projects;

22. Reiterates its encouragement to the EIB to give priority to funding TENs, including cross-border infrastructure that enables national networks to be interconnected, which is an essential element in the development of a market economy centred upon social cohesion; calls on the EIB, with regard to the funding of TENs, to give priority to infrastructure or transport projects with a lower or negative carbon footprint;

23. Suggests that, given the quality of the EIB's human resources, its impartiality and its experience of financing major infrastructure, the Commission should give it the task of carrying out a strategic reflection on the funding of infrastructure, taking into account the need for balanced regional development and excluding no possible scenarios: subsidies, payment of sums subscribed by the Member States to the EIB's capital, loans (including EIB loans, for example those financed by special loans from the Member States ⁽¹⁾), innovative instruments such as the RSFF and the LGTT, financial engineering appropriate to long-term projects that are not immediately profitable, development of guarantee systems, creation of an investment section within the EU budget, financial consortia between European, national and local authorities, public-private partnerships etc.;

Help for SMEs

24. Calls on the EIB to ensure that enough venture capital is made available to SMEs which experience difficulty in attracting venture capital; welcomes the launch of the Joint European Resources for Micro to Medium Enterprises (Jeremie) initiative developed in 2005 by the Commission's Regional Policy Directorate-General and the EIB to give businesses better access to financial engineering mechanisms, and encourages the development of the Competitiveness and Innovation Programme (CIP) in the framework of the Lisbon Agenda priorities;

25. Recalls that it approved the EU's participation in increasing the EIF's capital in order to make available to the EIF the resources it needs to fulfil its task and implement the policy of economic and social cohesion;

26. Confirms the need to provide a better response to the shortcomings in the market for financing SMEs and encourages the Commission, the EIB and the EIF to continue with the diversification of Community financial instruments upstream (i.e. technology transfer) and downstream (i.e. mezzanine capital) of venture capital, and to promote the development of micro-credit in Europe in the framework of the new European initiative for the development of micro-credit in support of growth and employment (COM(2007)0708);

Help with setting up projects

27. Emphasises the role of the EIB's expertise in setting up projects, thanks inter alia to the Joint Assistance to Support Projects in European Regions (Jaspers) programme; recalls that an important added value of the EIB lies in its engineering capacity in setting up financing for projects and public-private partnerships, not least in the framework of the European Public-Private Partnership Expertise Centre (EPEC), and calls on the EIB to communicate better with project leaders at local level on the technical help it can provide;

⁽¹⁾ Article 6 of the EIB Statute.

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28. Congratulates the EIB on the opening of new offices in the Member States, which will give it better visibility and greater proximity to project leaders with a view to facilitating projects and will assist the EIB in forging closer links with organisations, institutions, and local authorities as regards the favourable development of the EU policy of balanced regional development, as well as the accelerated involvement of the countries that have joined the EU since 2004;

Operations outside the European Union

29. Notes with satisfaction the favourable conclusions of the review of the activities of the Facility for Euro-Mediterranean Investment and Partnership (FEMIP); on the basis of that review, welcomes the call from the Council to develop the FEMIP still further in order to strengthen the Euro-Mediterranean partnership; hopes, against this background, that the loans mandate given to the EIB for the period 2007-2013, supplemented with the appropriate budgetary resources, will enable the process of regional economic integration to be speeded up;

30. Calls on the EIB to operate in developing regions in line with the principles of the Paris Declaration on Aid Effectiveness, and to ensure consistency with the EU Consensus on Development, particularly in delivering effective aid, enhancing mutual accountability, and adopting measurable development indicators;

31. Takes the view that the FEMIP must continue to be the pivot around which any European initiative carrying forward the ambition to further develop the Mediterranean region is structured;

32. Encourages the EIB to pursue its policy of issuing bonds in a diverse range of currencies, including the currencies of the emerging countries, while always continuing to cover itself against exchange risks;

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33. Instructs its President to forward this resolution to the Council, the Commission, the European Investment Bank, and the governments and parliaments of the Member States.

Ending street homelessness

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Declaration of the European Parliament on ending street homelessness

(2009/C 259 E/04)

The European Parliament,

— having regard to Rule 116 of its Rules of Procedure,

- A. whereas homelessness was identified as a priority by the Employment, Social Policy, Health and Consumer Affairs (EPSCO) Council in 2005, and is a priority under the 'active inclusion' strand of the EU social protection and inclusion strategy,
- B. whereas access to adequate housing is a fundamental human right and access to shelter often the first step towards adequate and sustainable housing solutions for people experiencing extreme poverty and exclusion,