

Dr. Werner Hoyer, President of the European Investment Bank

European Parliament Plenary Address

(~ 10 min)

Opening Remarks

27 April 2016, Brussels

Check Against Delivery
Seul le texte prononcé fait foi
Es gilt das gesprochene Wort

Thank you President,

Honourable Members of Parliament,

Ladies and gentlemen,

I am very grateful to have been invited to contribute to this debate here today and to comment on the report of Georgi Pirinski and his colleagues on the EIB's Annual Report for 2014.

While there are many issues that are clearly still relevant now and for the future, if you agree, I will take advantage of this opportunity to address you and will not limit myself only to 2014.

Having said this, let me start by expressing my appreciation for the support you give us to ensure that the EIB, the EU Bank, will continue to deliver benefits for the EU economy and for EU

citizens as well as contribute to common European objectives in our external activities.

Let me recap on what we have achieved since 2014 – the year under review.

Our plans were ambitious both in form and substance. High volumes of traditional lending, blending and advising activities were and still are needed to make an imperative contribution to European Goals and to respect the EIB's on-going responsibilities as the EU Bank.

At the same time the EIB took upon itself an unprecedented challenge and gladly accepted to play a central role in the Investment Plan for Europe... a role which required a quantum change in the Bank's business profile for some years to come.

But we take comfort from our proven achievements.

After the crisis began in 2007, we increased our lending by 60% in two years.

Following up with the 10 billion euro capital increase in 2012, we increased lending by 60 billion euros, supporting an extra EUR 190 billion of investment by April 2015, above target and ahead of time.

The Investment Plan for Europe or, Juncker Plan, with its three pillars, is another exceptional response to exceptional needs.

Negotiations between the Council, Parliament and Commission to finalise the Regulation were concluded on 28 May 2015. The Parliament and the Council concluded the regulation in record time. We are very grateful for that.

The Plan consists of three components:

1. The first one is the European Fund for Strategic Investments which despite its name is nothing else than a managed account inside EIB backed by a 16 billion guarantee of the EU budget and 5 billion from EIB in order to increase the risk-taking-capacity of the EIB Group.
2. Second, the enhancement of our advisory activities within the framework of the European Advisory Hub.
3. And its third pillar is all about removing barriers to investment and structural reforms.

The first and probably the most prominent one is the European Fund for Strategic Investments, in short EFSI. The speed at which it is being implemented by the EIB Group, and the additional risk absorbing capacity that it has generated, show the advantage for Europe in having the EIB as a flexible financing instrument, capable of responding to policy demands and market needs.

Let me take this opportunity to update you. So far the EIB Group - that's both the EIB and the EIF, which supports smaller businesses - has approved through EFSI financing an amount of 11.2 billion euros to more than 220 projects in 25 Member States which will trigger an overall additional investment in Europe of over 82.1 billion euros.

Just this month alone the EIB Board has approved 655 million euros of lending for five new projects using the EU budget guarantee under EFSI.

So you can see that the pace of our delivery is gathering speed! We have a three year window to make a difference.

Let me emphasise that EFSI is not a silver bullet which can solve the investment and innovation gaps on its own, so we have a second pillar. This is a window through which money seeking new investment opportunities can reach the real

economy via the so-called European Advisory Hub, a single point of access to technical assistance in Europe.

This Advisory Hub is already proving to be a successful initiative, having, as of March 2016, received and processed 108 requests, of which 87 project-specific.

Simultaneously, a network of partner institutions keen to work in cooperation with the Hub is being established across the EU. Fifteen Memoranda of Understanding have been signed with National Promotional Institutions, with an additional seven in the pipeline, and discussions are ongoing with the EBRD and other national or regional agencies to enlarge the scope of advice delivered under the Hub.

Ladies and gentlemen, honourable Members of Parliament,

The Investment Plan for Europe is important for our economy – but Europe also has global responsibilities.

We need to ensure that in the future the EU Bank will have the necessary financial resources, instruments and platforms to support EU external policy and development efforts.

While EU Member States already provide considerable official development assistance donations, the challenges in the developing world need a more coordinated approach and the financial instruments that we use to leverage private capital within the European Union every day.

As such, I foresee a situation that we will come to the limits of the Bank's current 10% level for activities outside the European Union.

First among these current pressing issues is the EIB's response to the refugee crisis and how the EIB can contribute beyond what it is already doing both in Europe, and in the region of the Middle East and North Africa.

We have proposed to our Board that the EIB could do more both in Europe, to finance the infrastructure needed to cope with the new arrivals, and outside Europe, on private sector development in countries of origin and transit. We are currently actively working on concrete proposals and will present them to the European Council in June, as we have been mandated to do. We also look forward to continuing our close cooperation with the European Commission in this crucial effort.

On a different field, the EIB is also reviewing developments in international tax policy in light of the ongoing work at the OECD to combat tax avoidance, an issue that has been spectacularly highlighted by the Panama Papers leak.

Finally I would also make a special mention that in a very difficult environment, and as a clear policy response, the EIB is stepping up support to Greece through its Action Plan for Greece, with both lending and advisory components to leverage

funds for public and private investment and enhance access to EU funds.

We must always remember that, while the EIB does not have quotas per country or per sector, one of EIB's main objectives remains economic and social cohesion throughout Europe. We are very much aware of this because the EU will fail if it can't contribute substantially to reducing the economic and social imbalances among regions and Member States.

Ladies and gentlemen

Europe's citizens expect and deserve Parliamentary oversight for their Bank – I say that as a former parliamentarian myself.

Although the Treaty does not provide for this exchange of views that we are having today, given its relevance in the global financial landscape and its increasing role within the EU institutional framework, namely within the Investment Plan for Europe, I think it is only proper that the EIB comes to the

European Parliament to explain what it is doing, especially with EU budgetary funds, where that is applicable.

The report we are discussing suggests that this oversight could consist of a more structured exchange than today. I have no objection to discussing the idea in principle – but we should be clear about what we want to achieve.

This is the 15th annual report by Parliament on our activity and since assuming the Presidency of the EIB I have addressed the Plenary and different committees various times. In addition, there were numerous hearings with other members of the Bank's Management Committee.

This strikes me as very appropriate, and reflects the multi-faceted nature of EIB activity, given our loans support many different policy objectives, and our beneficiaries are to be found both within the EU and in countries around the world.

Ladies and gentlemen, honourable Members of Parliament,

The EIB is nowadays the world's biggest international financial institution in terms of lending volume, operating in many different sectors and parts of the world. Over the last years, we have been delivering approximately 70-80 billion euros a year of investments in sound and sustainable projects, mostly inside the EU and increasingly also in our partner countries.

We will continue to do so, including by using the additional firepower under EFSI, because we have to address the huge investment needs.

The last year has been particularly intense and challenging, with the EIB constantly under sharp scrutiny, because what we do matters, and people and Parliaments care. The message we get from your Report is one of support, encouragement and urgency. It is important for Europe that we go the extra mile to deliver.

Let me assure you that we are willing to live up fully to our institutional responsibilities and will continue to exchange with you regularly on our activities and their impact on the ground.

Thank you.