



Plenary sitting

A8-0415/2018

29.11.2018

REPORT

on the Annual Report on the financial activities of the European Investment Bank
(2018/2161(INI))

Committee on Economic and Monetary Affairs

Rapporteur: Barbara Kappel

Rapporteur for opinion (*):
Eider Gardiazabal Rubial, Committee on Budgets

(*) Associated committee – Rule 54 of the Rules of Procedure

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the Annual Report on the financial activities of the European Investment Bank (2018/2161(INI))

The European Parliament,

- having regard to the 2017 Activity Report of the European Investment Bank (EIB) entitled ‘Impact into the Future’,
 - having regard to the 2017 Financial Report and the 2017 Statistical Report of the EIB,
 - having regard to the EIB report of 2018 entitled ‘EIB operations inside the European Union 2017: Results and impact’,
 - having regard to the EIB report of 2018 entitled ‘The EIB outside the European Union – 2017: Financing with global impact’,
 - having regard to the EIB Group 2017 Sustainability Report,
 - having regard to Articles 15, 126, 175, 177, 208, 209, 271, 308 and 309 of the Treaty on the Functioning of the European Union and to Protocol No 5 on the Statute of the EIB annexed thereto,
 - having regard to the Commission communication of 26 November 2014 entitled ‘An Investment Plan for Europe’ (COM(2014)0903),
 - having regard to the EIB Policy towards weakly regulated, non-transparent and uncooperative jurisdictions (NCJ Policy), published on 25 December 2010, and the addendum to the NCJ Policy published on 8 April 2014,
 - having regard to Article 3 of the Treaty on European Union,
 - having regard to Rule 52 of its Rules of Procedure,
 - having regard to the report of the Committee on Economic and Monetary Affairs and the opinions of the Committee on Budgets and the Committee on International Trade (A8-0415/2018),
- A. whereas the EIB’s primary purpose is to provide long-term finance and expertise for projects and to leverage additional investment to help achieve the EU’s objectives;
- B. whereas the EIB is the only bank owned by and representing the interests of the EU Member States;
- C. whereas the EIB is considered to be the financial arm of the EU and the key institution in sustaining public and private investments across it, with over 90 % of its lending occurring within the Union;
- D. whereas the EIB's lending activities are mainly funded via bond issuance in the international capital markets;

- E. whereas the EIB's annual funding programme amounts to around EUR 60 billion;
- F. whereas 33 % and 37 % of EIB bonds issued in 2017 and 2016 respectively were issued in US dollars;
- G. whereas EIB bonds are of the highest credit quality and the EIB is rated triple-A by the main three credit rating agencies, owing to among other things its Member State ownership and its conservative risk management resulting in a solid loan book, with only 0.3% non-performing loans;
- H. whereas financial instruments and budgetary guarantees could increase the impact of the EU budget;
- I. whereas the EIB is the natural partner for the EU in implementing financial instruments, in close cooperation with national, regional or multilateral financial institutions;
- J. whereas the EIB also plays an important role outside the EU through its external lending activities as the world's biggest multilateral borrower and lender;
- K. whereas the EIB is continuing to strengthen European integration, and its role has proven even more essential since the start of the financial crisis in 2008;
- L. whereas the EIB's priorities, as set out in the Corporate Operational Plan (COP) for 2017-2019, focus on the Europe 2020 targets for smart, sustainable and inclusive growth in the areas of energy, transport and mobility, health, rural infrastructure development and agri-business support, small and medium-sized enterprises (SMEs) and mid-caps, the environment and innovation;
- M. whereas the EIB Group should maintain a high credit standing as a fundamental asset of its business model and a high-quality, solid asset portfolio with sound investment projects under the EFSI and all financial instruments in its portfolio;

Achievements of the EIB over the past 60 years

1. Congratulates the EIB on 60 years of successful operations, during which it has invested EUR 1.1 trillion and financed 11 800 projects in 160 countries as the world's biggest multilateral borrower and lender;
2. Welcomes the fact that EIB Group lending within the EU approved in the period 2015-2016 will support EUR 544 billion in investment, add 2.3 % to GDP and create 2.25 million jobs by 2020; urges the EIB to further enhance its activities in contributing to long-term and sustainable growth;
3. Highlights the opportunities for the EIB to shape markets in line with EU policy objectives; recognises the EIB's capability to invest countercyclically in order to address underdevelopment and recession resulting from the financial crisis and difficulties in accessing finance for SMEs and innovative projects;
4. Underlines the important role played by the EIB as the EU's bank, being the only international financial institution that is entirely owned by EU Member States and is fully guided by EU policies and standards;

5. Calls for the strengthening of the EIB's advisory activities and for it, together with the Commission, the Member States and national official promotional financial institutions, to address the systemic shortcomings that prevent certain regions or countries from taking full advantage of the EIB's financial activities;
6. Stresses that 700 000 SMEs are set to benefit from improved access to finance, and notes that the EIB's Economics Department and the Commission's Joint Research Centre estimate that EFSI operations have already supported more than 750 000 jobs, a figure set to rise to 1.4 million by 2020, and that the Juncker Plan has already increased EU GDP by 0.6 % and is set to increase it by a further 1.3 % by 2020;
7. Welcomes the rolling out by the EIB of the Economic Resilience Initiative, aimed at helping the countries of the Western Balkans and the EU's Southern Neighbourhood to address the challenges posed by irregular migration and forced displacement; calls for increased funding for this initiative and a strengthened involvement of the EIB in these regions in order to support humanitarian action, job creation, economic growth and infrastructure improvements; welcomes, in this regard, the approval of the first projects of the European External Investment Plan (EEIP) in Africa and looks forward to a strengthened role for the EIB;
8. Points out the fact that in 2017 alone, a record number of 901 projects have been approved, including more than EUR 78 billion for innovation, environment, infrastructure and SMEs;
9. Underlines the EIB's activities in support of economic and social cohesion, involving financing of more than EUR 200 billion for the regions in the last 10 years;

General remarks

10. Welcomes the steps the EIB has taken to better measure the impact of its investments rather than only providing data on quantitative volumes of financing;
11. Recalls the fact that the EIB has responded to the crisis by expanding its activities significantly; believes that it has played a positive role in reducing the negative investment gap; urges the EIB to pay extra attention to the risk of crowding out private investment now that economic conditions are normalising;
12. Stresses that the EIB's activities were key to address post-crisis recovery and investment levels, which are still uneven across Member States and regions as well as sectors; calls on the EIB to further invest in Member States in order to contribute to their economic recovery; stresses that particular emphasis should be placed on financing in the innovation and infrastructure sectors, where the investment gap is particularly severe;
13. Notes that almost a third of EIB funding is dollar-denominated, exposing the bank to potential US sanctions; asks the EIB to start progressively reducing its funding in dollars;
14. Notes that the EIB is annually audited by the European Court of Auditors; notes the debate on the possibility of introducing supervision of its lending operations by the

ECB; warns that this could have a major impact on the nature, functioning and governance of the EIB;

Innovation and skills

15. Recognises that the EIB gives priority to innovation and skills in order to drive growth and ensure Europe's long-term competitiveness, with loans amounting to EUR 13.9 billion in 2017 for, inter alia, 7.4 million high-speed digital connections and the installation of 36.8 million smart meters;

Environment and sustainability

16. Welcomes the fact that in 2017 the EIB lent EUR 16.6 billion for projects supporting its environment policy goals, financing projects in the areas of environmental protection, renewable energy, energy efficiency, biodiversity, clean air, clean water, water and waste management and sustainable transport, and committed to climate loans more than 25 % of total lending across all its public policy areas, exceeding its initial commitment by 3.2 %;
17. Stresses the example-setting role that EU institutions should play when it comes to making finance sustainable; recognises the EIB's status as the world's largest issuer of green bonds and that its Climate Awareness Bonds offer investors a transparent link to renewable energy and energy efficiency projects that benefit from the proceeds of the EIB's green bond issuances, being based on the EIB's reporting system on the climate benefits of projects, including impact indicators such as greenhouse gas emissions avoided, absolute emission levels, energy consumption saved and additional power generation installed;
18. Welcomes in this regard the EIB's first issuance of Sustainability Awareness Bonds, amounting to EUR 500 million, which will be dedicated to high-impact projects in support of the UN Sustainable Development Goals while ensuring the confidence of socially responsible investors through rigorous transparency and market standards;
19. Welcomes the fact that the EIB achieved its 25 % climate-relevant financing objective; notes with concern that the Commission, by contrast, did not reach the target of 20 %;
20. Welcomes the creation of the Smart Finance for Smart Buildings initiative, the aim of which is to make investments in energy efficiency projects in residential buildings more attractive to private investors through the intelligent use of EU grants as a guarantee; welcomes the fact that the EIB has recently started to invest in social housing;
21. Recommends that the EIB adopts an energy strategy that is fully compatible with the Paris Agreement objectives, taking into account the research evidence and the recommendations of the report of the Intergovernmental Panel on Climate Change (IPCC) on the impact of global warming of 1.5 °C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change, sustainable development, and efforts to eradicate poverty;
22. Calls on the EIB to maintain loans supporting European energy policy objectives;

23. Calls on the EIB to further enforce projects connected with climate change and environmental protection, given that the EU is one of the signatories of the Paris Agreement and recalling the commitment made by the EU to reduce its emissions by at least 40 % by 2030;
24. Stresses the importance of EIB financing in the development of renewable energy capacity and the improvement of energy efficiency in sectors such as industry and transport;
25. Calls on the EIB to work with small market participants and community cooperatives in order to undertake bundling of small-scale renewable energy projects, thus enabling them to be eligible for EIB funding;

Infrastructure

26. Highlights the EIB's support for safe and efficient infrastructure for energy supply, transport and urban areas, as expressed by its signing loans worth EUR 18 billion to support its infrastructure policy goal and providing more than EUR 22 billion in urban lending in 2017;
27. Calls on the EIB to maintain loans supporting European energy policy objectives;

SMEs and mid-caps

28. Welcomes the strong support of the EIB Group for SMEs and mid-caps with a total investment of EUR 29.6 billion, which has had a positive impact on 287 000 companies employing 3.9 million people;
29. Recalls that according to the EIB, large firms are twice as likely as SMEs to be innovators while innovative young firms are 50 % more likely than other firms to be credit-constrained; urges the EIB to support smaller companies with smaller loans, in order to have a bigger impact on a broader cross-section of the European economy;
30. Given the key role of SMEs, believes that the EIB's SME strategy should include the reinforcement of its administrative and advisory capacities for providing information and technical support to SMEs as regards development and applying for finance;
31. Welcomes the ten standards set out in the EIB's Environmental and Social Handbook, which serve as a prerequisite for participation in EIB lending operations, including in the areas of pollution prevention and abatement, biodiversity and ecosystems, climate-related standards, cultural heritage, involuntary resettlement, rights and interests of vulnerable groups, labour standards, occupational and public health, safety and security and stakeholder engagement;

Accountability, transparency and communication

32. Urges the EIB and its stakeholders to reflect on the reforms needed to ensure democratisation of its governance, increased transparency and sustainability of its operations;
33. Calls on the EIB to step up its efforts in terms of communication; believes it is vital that

it should engage with EU citizens in order to better explain the aims of its policies; believes in this respect that a reflection should be initiated to strengthen the funding capacities of the EIB, inter alia as a means of concretely illustrating the contribution of the EU to the daily lives of its citizens;

34. Notes with concern the continued increase in general administrative expenses, primarily driven by the increase in staff-related costs; warns about the risk of a further increase in the cost-to-income ratio for the EIB's capital base; asks the EIB to maintain cost discipline, to keep its management structure lean and efficient, and to ensure it does not evolve towards a top-heavy management structure;
35. Notes the EIB's recent improvements in transparency, such as the publication of the minutes of its Board of Directors and the publication of the Scoreboard of indicators for projects supported by the EFSI guarantee and of the rationale of the independent Investment Committee for its decision, in line with the revised EFSI Regulation; understands that a bank cannot disclose commercially sensitive information;
36. Recalls that the EIB Group's transparency policy is based on a presumption of disclosure and that everyone can access its documents and information; calls on the EIB to further enhance transparency, e.g. by publishing detailed minutes 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;
37. Considers that among the challenges facing the EIB, appropriate supervision is crucial; believes that, given the bank's role and institutional set-up, a supervisory structure is required;
38. Takes note of the review of the EIB Complaints Mechanism policy and procedures; recalls its position on the EIB Complaints Mechanism as expressed in its resolution of 3 May 2018 on the annual report on the control of the financial activities of the EIB for 2016¹; urges the EIB to enforce the independence and efficiency of the Complaints Mechanism Office and to take further steps to reduce bureaucracy, increase its capacity for macroeconomic analysis, and improve gender representation in its senior positions;
39. Welcomes the fact that results measurement sheets for investment projects covered by the EU guarantee must now be provided to Parliament on demand;
40. Emphasises the need for a high level of transparency on the part of the financial intermediaries used by the EIB (commercial banks in particular, but also microfinance institutions and cooperatives), in order to ensure that intermediated loans are subject to the same transparency requirements as other types of loans;
41. Welcomes the EIB's Economic Resilience Initiative (ERI) as part of the EU's joint response to the migration and refugee crisis, with a focus on tackling the root causes of migration; insists on close coordination and complementarity with the EU External Investment Plan; notes that so far the 26 ERI projects and EUR 2.8 billion in investment

¹ Texts adopted, P8_TA(2018)0198.

are expected to benefit more than 1 500 smaller businesses and mid-caps, helping to sustain more than 100 000 jobs;

42. Calls on the EIB to take all necessary measures based on lessons learned from the EFSI experience, and to maximise the results of the forthcoming InvestEU programme, paying particular attention to regional and social inequalities and to the Member States hardest hit by the economic crisis;
43. Welcomes the increase in ERI financing for the Southern Neighbourhood and the Western Balkans of EUR 6 billion over a five-year period starting from October 2016, in addition to the EUR 7.5 billion already envisaged, as well as the focus on sustainable and vital infrastructure;
44. Stresses the importance of developing economic resilience in host and transit countries by supporting the creation of jobs and construction of infrastructure needed for the local population, as well as the displaced population; welcomes the fact that refugee communities may also benefit from opportunities to develop their self-reliance and live in dignity; underlines that investments in economic resilience should contribute to improving the preparedness of the regions for future external shocks, and to enhanced stability in fragile countries;
45. Notes the EFSI's third anniversary and recognises its achievements, welcoming the EUR 335 billion in investment mobilised across the Union since the approval of the EFSI Regulation (Regulation (EU) 2915/1017)¹ by the co-legislators, under which 898 operations have been approved across the 28 Member States, two thirds of them raised from private resources, outperforming the original goal of EUR 315 billion set in 2015; draws the attention to the decision of the European Council and the European Parliament to extend EFSI's duration and capacity to EUR 500 billion by end 2020;
46. Underlines the need to accelerate the work on building a Capital Markets Union, thus enabling the EIB to truly focus on filling the gaps where there are market failures and to provide financing for high-risk projects;
47. Recalls its recognition of the need to provide continuity in the support of demand-driven mechanisms such as EFSI that support long-term investment in the real economy, mobilise private investment, and generate a substantive macroeconomic impact and jobs in sectors that are important to the Union's future beyond the current MFF;
48. Encourages the timely establishment of a follow-on initiative for the post-2020 period to provide the required continuity, which should incorporate lessons learned from EFSI, and retain key success factors;
49. Believes that the EIB Group has been key in the successes of EFSI as the only interlocutor for beneficiaries and intermediaries and the exclusive implementing partner; believes that in any future Invest EU programme, the EIB is, in order to avoid duplication, the natural partner for the EU to carry out banking tasks (treasury, asset management, risk assessment) in relation to the implementation of financial

¹ OJ L 169, 1.7.2015, p. 1.

instruments;

50. Calls for intensified cooperation on the part of the EIB Group with national promotional banks and institutions (NPBIs), and calls on the EIB to continue strengthening its work with NPBIs in order to ensure outreach and further develop advisory activities and technical assistance so as to support a geographical balance in the long term; notes the wide variety of experiences existing in terms of EFSI projects; supports and encourages the further exchange of best practices between the EIB and the Member States in order to ensure increased economic efficiency;

Lending outside the EU

51. Welcomes the EIB's important role in financing outside the EU through its external lending activities; highlights the EIB's efficient management of the External Lending Mandate, as confirmed by an independent evaluation in June 2018, which recognises its relevance and effectiveness in providing EU financing to third countries at a minimal cost to the Union budget; requests that the European Court of Auditors produces a special report on the performance and alignment with EU policies of EIB external lending activities;
52. Believes that the EIB should to continue to play a leading role in setting up future EU financing mechanisms for third countries, while ensuring that it is the interests of local entrepreneurs wishing to establish local, often micro and small, enterprises with the aim of contributing first and foremost to the local economy which are prioritised in EIB lending decisions;
53. Believes that the EIB should maintain its existing foreign policy activities, including through instruments such as third country lending mandates; welcomes the EIB's management of the ACP Investment Facility, which mainly provides projects promoting the development of the private sector; in this respect, underlines that it is crucial that the central role of the EIB, as the EU's bilateral financial arm, will be firmly reflected in the post-2020 architecture for financing outside the Union;
54. Considers that the activities of the EIB must be applied in full consistency with the other policies and activities of the European Union, in line with Article 7 TFEU and the Charter of Fundamental Rights;
55. Stresses the importance of the annual reporting by the EIB on its operations outside the Union with regard to compliance with the principle of policy coherence guiding the external action of the Union, the UN Agenda 2030 for sustainable development and the Paris Climate Agreement;
56. Reminds the EIB that it needs to act in coherence with its development mandate under the External Lending Mandate in order to ensure that investments in developing countries are bringing the due revenues to local tax authorities;
57. Takes note of the fact that one half of all lending operations of the EIB under the External Lending Mandate goes to local financial intermediaries with the goal of boosting microcredits, and asks the EIB to supply fuller and more systematic information with regard to on-lending by its financial intermediaries;

58. Recalls that the EIB's activities must reflect the Union's internal and external policies; underlines that its lending conditions should facilitate the achievement of the policy goals concerned, and in particular the development of the Union'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 involve all Member States, especially those with a lower success rate in terms of projects approved;
59. Calls on the EIB to invest significantly in the environmental transition in the Eastern Neighbourhood countries;
60. Invites the EIB to step up its efforts in providing worldwide finance to diversify its investments in energy efficiency, renewable energy and the circular economy, which require a response broader than national confines, extending across regions, government units and smaller enterprises, and calls for funding to be divested from projects posing serious risks to the environment and natural resources;
61. Stresses the importance of the EIB's financing activities in the Eastern Neighbourhood; asks the EIB to increase its lending to the Eastern Neighbourhood in order to support investments in countries that are implementing association agreements with the EU;

Tax Compliance

62. Welcomes the Anti-Money Laundering and Combating Financing of Terrorism Framework adopted by the EIB in January 2018, establishing the key principles regulating AML-CFT and related integrity aspects in EIB Group activities;
63. Welcomes the progress that the EIB has made in adopting the highest standards with a view to preventing tax fraud, tax evasion, money laundering and terrorist financing, as well as tax avoidance and aggressive tax planning, by fully applying EU policies and standards, for instance the EU list of non-cooperative jurisdictions for tax purposes; calls on the EIB, in this regard, to end cooperation with intermediaries, countries and jurisdictions that are on that list; underlines the absolute necessity for the EIB to remain constantly vigilant and to adapt its actions to the permanently evolving reality concerning those practices;
64. Encourages the EIB to continue carrying out an enhanced due diligence on every operation with higher risk factors identified, such as a link to a Non-Compliant Jurisdiction (NCJ), tax risk indicators and operations with complex multi-jurisdictional structures, irrespective of the existence of NCJ links;
65. Underlines the importance of ensuring a high quality of information on final beneficiaries and effectively preventing transactions with financial intermediaries such as commercial banks and investment firms with negative precedents in terms of transparency, fraud, corruption, organised crime and money laundering;
66. Welcomes the fact that the EIB takes into account the tax impact in countries where investment is made and how this investment contributes to economic development, job creation and the reduction of inequality;

67. Calls on the EIB to step up its efforts in terms of communication; believes it is key that it should engage with EU citizens in order to better explain the aims of its policies and thus concretely illustrate the contribution of the EU to the daily lives of its citizens;
68. Expects the EIB to align its internal policies to reflect the newly adopted legal environment in order to fight tax avoidance in addition to fighting tax evasion, as detailed in the Commission communication of 21 March 2018 on new requirements against tax avoidance in EU legislation governing in particular financing and investment operations (COM(2018)1756);
69. Encourages cooperation by the EIB with the European Anti-Fraud Office (OLAF) and national authorities to prevent fraud and money laundering;

Brexit

70. Urges the Brexit negotiators to agree on a deal regarding the gradual phasing-out of the UK from the EIB portfolio built up with UK participation, the reimbursement of the UK's paid-in capital, and continuation of the protections extended to the EIB and its assets in the UK; stresses that the AAA-rating of the EIB must not be affected by the withdrawal of the UK from the EU;
 71. Calls for an equitable solution for the British staff members of the EIB;
 72. Welcomes the development of regional investment platforms to address market gaps and country-specific needs;
 73. Stresses again the need to reduce the uneven geographical distribution of the EIB's financing, as 70 % of it was allocated to six Member States in 2017, even though one of the EIB's objectives is economic and social cohesion in the Union; calls instead for a dynamic, fair and transparent geographical distribution of projects and investment among Member States, with a special focus on less developed regions;
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- ◦
74. Instructs its President to forward this resolution to the Council and the Commission.

6.11.2018

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Economic and Monetary Affairs

on the Annual Report on the financial activities of the European Investment Bank
(2018/2161(INI))

Rapporteur (*): Eider Gardiazabal Rubial

(*) Associated committee – Rule 54 of the Rules of Procedure

SUGGESTIONS

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

1. Insists on the fact that the enhanced economic role of the European Investment Bank (EIB) group, its increased investment capacity and the use of the EU budget to guarantee the EIB group's operations must be accompanied by greater transparency and accountability; recalls that the same principles of accountability and transparency must apply to EU bodies not financed by the EU budget, as reiterated by the European Court of Auditors in 2018;
2. Calls for an urgent reinforcement of Parliament's competences in relation to the strategic orientation and policies of the EIB in order to ensure democratic scrutiny of the investments, which is urgently needed;
3. Welcomes the contribution of the European Fund for Strategic Investments (EFSI) to overcoming market failures by addressing market gaps and mobilising private investments;
4. Notes that the implementation of EFSI's SME Window has been effective in ensuring the swift deployment of finance to SMEs and mid-caps; highlights the importance of enhancing EIB support to SMEs and mid-caps by providing beneficiaries with clearer information on how to access finance;
5. Calls on the EIB to continue strengthening its work with National Promotional Banks

and Institutions (NPBIs) in order to ensure outreach and further develop advisory activities and technical assistance to support a balanced geographical distribution of EFSI in the long term; calls on the EIB's local offices to extend their outreach to local partners in order to promote EFSI; stresses the importance of achieving a better geographical and sectoral distribution of the EIB's lending activity without compromising the high quality of projects;

6. Highlights, in relation to NPBIs, the importance of, on the one hand, rethinking their relationships with the EIB, the European Bank for Reconstruction and Development (EBRD) and the development banks, in order to ensure coherence between their respective mandates and, on the other hand, of strengthening their cooperation with the Commission, the EIB and national, regional and local authorities, to create more synergies between the ESI Funds and EIB financing instruments and loans, reduce administrative burdens, simplify procedures, increase administrative capacity, boost territorial development and cohesion and improve the visibility of ESI Funds and EIB financing;
7. Calls on the EIB to focus investment on a larger number of cross-border projects, particularly in light of the new priorities of the revised EFSI Regulation; emphasises that projects linking two or more Member States are considered to provide a strong indication of additionality, but face issues in attracting funding, so they should become a new focus of the EIB's lending activities;
8. Insists on the key role the EIB should play in boosting investments which are the most effective in terms of job creation; expects, moreover, that the EIB provide in-depth information on such investments, and to focus on jobs with a high degree of quality and sustainability;
9. Reiterates that EIB activities are necessary to address the gap in investment by the public and private sector that has been deepening in Europe since the economic and financial crisis; reminds the EIB, therefore, of its role as an anti-cyclical force to relaunch investments;
10. Welcomes the development of regional investment platforms to address market gaps and country-specific needs;
11. Stresses again the need to reduce the uneven geographical distribution of the EIB's financing, as 70 % of it was allocated to six Member States in 2017, even though one of the EIB's objectives is economic and social cohesion in the Union; calls instead for a dynamic, fair and transparent geographical distribution of projects and investment among Member States, with a special focus on less developed regions;
12. Expects the EIB to align its internal policies to reflect the newly adopted legal environment in order to fight tax avoidance, in addition to fighting tax evasion, as detailed in the Commission's communication of 21 March 2018 on new requirements against tax avoidance in EU legislation governing in particular financing and investment operations (COM(2018)1756);
13. Stresses that, irrespective of the final agreement between the UK and the Union, the EIB's shareholders should ensure that the EIB can maintain the current investment

capacity and lending level;

14. Welcomes the fact that the EIB achieved its 25 % climate relevant financing objective; notes with concern that the Commission, by contrast, did not reach the target of 20 %;
15. Invites the EIB to step up its efforts in providing worldwide finance to diversify its investments in energy efficiency, renewable energy and the circular economy, which require a response broader than national confines, extending across regions, government units and smaller enterprises, and calls for funding to be divested from projects posing serious risks to the environment and natural resources;
16. Welcomes the creation of the Smart Finance for Smart Buildings initiative, the aim of which is to make investments in energy efficiency projects in residential buildings more attractive to private investors through the intelligent use of EU grants as a guarantee; welcomes the fact that the EIB has recently started to invest in social housing;
17. Notes, however, that according to the Report of the High-Level Task Force on Investing in Social Infrastructure in Europe, only 4 % of approved EFSI financing supports social infrastructure projects in the EU;
18. Highlights the importance of *ex ante* and *ex post* evaluations of the concrete economic, social and environmental impact achieved as well as of the general macroeconomic impact, while fully disclosing this information to Parliament;
19. Welcomes the fact that Results Measurement sheets for investment projects covered by the EU guarantee must now be provided to Parliament on demand;
20. Encourages the EIB to maximise the use of all available instruments and their impact on the ground in order to tackle the root causes of migration;
21. Insists on the fact that standards on financial intermediaries should be more ambitious, and that the EIB must scrutinise its cooperation with institutions that exhibit a negative track record in terms of transparency, fraud, corruption and environmental and social impacts;
22. Encourages EIB cooperation with the European Anti-Fraud Office (OLAF) and national authorities to prevent fraud and money laundering;
23. Calls for greater supervision and disclosure in relation to intermediated operations by commercial banks and similar financial institutions;
24. Stresses the importance of the EIB's financing activities in the Eastern Neighbourhood; asks the EIB to increase its lending towards the Eastern Neighbourhood in order to support investments in countries that are implementing Association Agreements with the EU;
25. Urges the EIB group once again to adopt the review of its whistleblowing policy in the near future and to regard the current revision of its Complaints Mechanism as an opportunity to reinforce its legitimacy, accessibility, predictability, equitability and transparency.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	5.11.2018
Result of final vote	+: 24 -: 4 0: 2
Members present for the final vote	Jean Arthuis, Reimer Böge, Lefteris Christoforou, Gérard Deprez, André Elissen, José Manuel Fernandes, Eider Gardiazabal Rubial, Ingeborg Gräßle, Monika Hohlmeier, John Howarth, Bernd Kölmel, Zbigniew Kuźmiuk, Vladimír Maňka, Jan Olbrycht, Paul Rübig, Eleftherios Synadinos, Indrek Tarand, Isabelle Thomas, Inese Vaidere, Daniele Viotti, Tiemo Wölken, Marco Zanni
Substitutes present for the final vote	Karine Gloanec Maurin, Alain Lamassoure, Janusz Lewandowski, Ivana Maletić, Andrey Novakov, Marco Valli
Substitutes under Rule 200(2) present for the final vote	Michael Detjen, Stefan Gehrold

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

24	+
ALDE	Jean Arthuis, Gérard Deprez
PPE	Reimer Böge, Lefteris Christoforou, José Manuel Fernandes, Stefan Gehroid, Ingeborg Gräßle, Monika Hohlmeier, Alain Lamassoure, Janusz Lewandowski, Ivana Maletić, Andrey Novakov, Jan Olbrycht, Paul Rübig, Inese Vaidere
S&D	Michael Detjen, Eider Gardiazabal Rubial, Karine Gloanec Maurin, John Howarth, Vladimír Maňka, Isabelle Thomas, Daniele Viotti, Tiemo Wölken
VERTS/ALE	Indrek Tarand

4	-
ECR	Bernd Kölmel, Zbigniew Kuźmiuk
ENF	André Elissen
NI	Eleftherios Synadinos

2	0
EFDD	Marco Valli
ENF	Marco Zanni

Key to symbols:

+ : in favour

- : against

0 : abstention

15.10.2018

OPINION OF THE COMMITTEE ON INTERNATIONAL TRADE

for the Committee on Economic and Monetary Affairs

on Annual Report on the financial activities of the European Investment Bank
(2018/2161(INI))

Rapporteur for opinion: Sander Loones

SUGGESTIONS

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

1. Stresses and welcomes the importance which the European Investment Bank (EIB) attaches to operations outside the EU in its overall lending activity; emphasises that new lending outside the EU should continue to maintain a fairly even split between support for social and economic infrastructure and support for local private and public sector development; recalls that 10 % of the EIB's overall lending activity is dedicated to operations outside the Union; stresses, for this reason, the importance of the annual reporting by the EIB on its operations outside the Union with regard to compliance with the principle of policy coherence guiding the external action of the Union, the UN Agenda 2030 for sustainable development and the Paris Climate Agreement;
2. Welcomes the EIB's reporting activities aimed at ensuring an increasing level of transparency, but demands wider access to information concerning its activities, in particular with regard to the contracting and subcontracting system, as well as access to financial data relating to EIB-funded projects; calls on the EIB to strengthen the involvement of civil society and stakeholders;
3. Recalls that the EIB's activities must reflect the Union's internal and external policies; underlines that its lending conditions should facilitate the achievement of these goals, and in particular the development of the Union'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 involve all Member

States, especially those with a lower success rate in terms of projects approved;

4. Calls on the EIB to continue to pay special attention in its lending outside the EU to private sector development, which is a major engine of poverty reduction, and to impact financing and credit lines targeting microfinance institutions; also calls on the EIB, in this respect, to improve effective access to funding for SMEs and to establish more proactive SME and micro-enterprise policy requirements for intermediary banks disbursing EIB funds; takes note of the fact that one half of all lending operations of the EIB under the external lending mandate (ELM) goes to local financial intermediaries with the goal of boosting microcredits, and asks the EIB to supply fuller and more systematic information with regard to on-lending by its financial intermediaries; calls for a strategic EIB contribution to tackle the root causes of migration by expanding the EIB's ELM;
5. Calls on the EIB to leverage financial resources by partnering with other financial institutions, blending its own loans and third-party grants and further catalysing its financing sources, technical advice and help in attracting additional financing; calls on the EIB to better ensure that the Union's environmental and social policy goals are respected, including in cofinanced projects or contributions to investment funds and private equity funds;
6. Calls on the EIB to bring its activities into line with the most recent UNCTAD recommendations, and to support the strengthening of own new industrial policies of developing countries by contributing to the creation of investment policy tools and focusing on different sectors, economic activities, and mechanisms in order to maximise the contribution of investment to the development of industrial capabilities;
7. Welcomes the rolling out by the EIB of the Economic Resilience Initiative, aimed at helping the countries of the Western Balkans and the EU's Southern Neighbourhood to address the challenges posed by irregular migration and forced displacement; calls for increased funding for this initiative and a strengthened involvement of the EIB in these regions in order to support humanitarian action, job creation, economic growth and infrastructure improvements; welcomes, in this regard, the approval of the first projects of the European External Investment Plan (EEIP) in Africa and looks forward to a strengthened role for the EIB;
8. Calls on the EIB to invest significantly in the environmental transition in Eastern Neighbourhood countries;
9. Welcomes the EIB's plan to create a Sustainability Awareness Bond, and encourages it to adopt a key role in sustainable finance both inside and outside Europe; calls on the EIB to prioritise supporting through its lending activities the achievement of the UN's 2030 Sustainable Development Goals (SDGs) by further unlocking investment in social, green and sustainable projects;
10. Is of the opinion that the EIB should continue to enhance its role in helping to achieve sustainable development in line with the SDGs, and that lending under its climate strategy should focus mainly on clean transport and energy sectors, since they have considerable potential for innovation; calls on the EIB to phase out its support for fossil fuels and projects inducing deforestation and loss of biodiversity, and to pay greater

attention to the impact of its operations on human rights and labour rights;

11. Calls on the EIB to ensure that companies participating in projects cofinanced by it are required to adhere to the principles of equal pay and pay transparency as well as gender equality, as set out in Directive 2006/54/EC of the European Parliament and of the Council of 5 June 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation¹; also calls for EIB decisions on project financing to take into account action by candidate companies in the field of corporate social responsibility;
12. Reminds the EIB that it needs to act in coherence with its development mandate under the ELM in order to ensure that investments in developing countries are bringing the due revenues to local tax authorities;
13. Calls on the EIB, taking into account the insufficient project generation capacity in the public and private sectors and the lower borrowing capacity in some Member States, and with a view to reducing the investment shortfall in the EU, to consider an approach whereby contributions made on a one-off basis to EIB-funded projects by Member States, whether by a Member State as such or by national promotional banks classified in the general government sector or acting on behalf of a Member State, would qualify as one-off measures within the meaning of Articles 3 and 5 of Council Regulation (EC) No 1466/97 of 7 July 1997 on the strengthening of the surveillance of budgetary positions and the surveillance and coordination of economic policies².

¹ OJ L 204, 26.7.2006, p. 23.

² OJ L 209, 2.8.1997, p. 1.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	11.10.2018
Result of final vote	+: 33 -: 2 0: 1
Members present for the final vote	Laima Liucija Andrikienė, Maria Arena, Tiziana Beghin, Daniel Caspary, Salvatore Cicu, Christofer Fjellner, Eleonora Forenza, Karoline Graswander-Hainz, Christophe Hansen, Heidi Hautala, Yannick Jadot, France Jamet, Elsi Katainen, Jude Kirton-Darling, Danilo Oscar Lancini, Bernd Lange, David Martin, Anne-Marie Mineur, Franck Proust, Godelieve Quisthoudt-Rowohl, Inmaculada Rodríguez-Piñero Fernández, Tokia Saïfi, Helmut Scholz, Joachim Schuster, Adam Szejnfeld, William (The Earl of) Dartmouth, Jan Zahradil
Substitutes present for the final vote	Sander Loones, Fernando Ruas, Paul Rübig, José Ignacio Salafranca Sánchez-Neyra
Substitutes under Rule 200(2) present for the final vote	Beatriz Becerra Basterrechea, Czesław Hoc, Stanisław Ożóg, Jozo Radoš, Anders Sellström

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

33	+
ALDE	Beatriz Becerra Basterrechea, Elsi Katainen, Jozo Radoš
ECR	Czesław Hoc, Sander Loones, Stanisław Ozóg, Jan Zahradil
EFDD	Tiziana Beghin, William (The Earl of) Dartmouth
GUE/NGL	Eleonora Forenza, Helmut Scholz
PPE	Laima Liucija Andrikienė, Daniel Caspary, Salvatore Cicu, Christofer Fjellner, Christophe Hansen, Franck Proust, Godelieve Quisthoudt-Rowohl, Fernando Ruas, Paul Rübig, Tokia Saïfi, José Ignacio Salafranca Sánchez-Neyra, Anders Sellström, Adam Szejnfeld
S&D	Maria Arena, Karoline Graswander-Hainz, Jude Kirton-Darling, Bernd Lange, David Martin, Inmaculada Rodríguez-Piñero Fernández, Joachim Schuster
VERTS/ALE	Heidi Hautala, Yannick Jadot

2	-
ENF	France Jamet
GUE/NGL	Anne-Marie Mineur

1	0
ENF	Danilo Oscar Lancini

Key to symbols:

+ : in favour

- : against

0 : abstention

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	20.11.2018
Result of final vote	+: 24 -: 9 0: 9
Members present for the final vote	David Coburn, Thierry Cornillet, Esther de Lange, Markus Ferber, Stefan Gehrold, Sven Giegold, Brian Hayes, Gunnar Hökmark, Danuta Maria Hübner, Petr Ježek, Barbara Kappel, Wolf Klinz, Georgios Kyrtos, Philippe Lamberts, Werner Langen, Bernd Lucke, Ivana Maletić, Marisa Matias, Costas Mavrides, Luděk Niedermayer, Stanisław Ożóg, Dimitrios Papadimoulis, Sirpa Pietikäinen, Dariusz Rosati, Pirkko Ruohonen-Lerner, Anne Sander, Alfred Sant, Peter Simon, Ramon Tremosa i Balcells, Ernest Urtasun, Marco Valli, Tom Vandenkendelaere, Miguel Viegas
Substitutes present for the final vote	Ashley Fox, Jeppe Kofod, Paloma López Bermejo, Michel Reimon, Joachim Starbatty, Lieve Wierinck
Substitutes under Rule 200(2) present for the final vote	Pilar Ayuso, Elmar Brok, Helga Stevens

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

24	+
ALDE	Thierry Cornillet
ECR	Ashley Fox, Bernd Lucke, Stanislaw Ożóg, Pirkko Ruohonen-Lerner, Joachim Starbatty, Helga Stevens
ENF	Barbara Kappel
PPE	Pilar Ayuso, Elmar Brok, Markus Ferber, Stefan Gehroid, Brian Hayes, Gunnar Hökmark, Danuta Maria Hübner, Georgios Kyrtos, Esther de Lange, Werner Langen, Ivana Maletić, Luděk Niedermayer, Sirpa Pietikäinen, Dariusz Rosati, Anne Sander, Tom Vandenkendelaere

9	-
EFDD	David Coburn
GUE/NGL	Paloma López Bermejo, Marisa Matias, Dimitrios Papadimoulis, Miguel Viegas
VERTS/ALE	Sven Giegold, Philippe Lamberts, Michel Reimon, Ernest Urtasun

9	0
ALDE	Petr Ježek, Wolf Klinz, Ramon Tremosa i Balcells, Lieve Wierinck
EFDD	Marco Valli
S&D	Jeppie Kofod, Costas Mavrides, Alfred Sant, Peter Simon

Key to symbols:

+ : in favour

- : against

0 : abstention