



2020/2124(INI)

16.3.2021

OPINION

of the Committee on Development

for the Committee on Economic and Monetary Affairs

on the financial Activities of the European Investment Bank – annual report
2020
(2020/2124(INI))

Rapporteur for opinion: Charles Goerens

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SUGGESTIONS

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

- A. whereas in 2019 the European Investment Bank (EIB) approved loans worth EUR 7.8 billion for projects outside the Union, including EUR 1.1 billion for least developed countries (LDCs) and fragile states; whereas in 2020 the EIB's financing for countries outside the Union was EUR 10.2 billion and it lent EUR 4.7 billion to African countries alone;
- B. whereas the high-level group of wise persons on the European financial architecture for development released its final report on 7 October 2019, in which it outlined the three following possible options for building the future European Climate and Sustainable Development Bank :a) building on the European Bank for Reconstruction and Development (EBRD) and the external financing activities of the EIB; b) pulling together the external activities of the current EU financial institutions in a new financial institution with mixed ownership; c) transferring all external activities of the EIB into an EIB subsidiary with significant other shareholders; whereas the Council conclusions of December 2019 indicated that only option a) and c) should be explored; whereas the results of feasibility studies on each options, which were supposed to be delivered in autumn 2020, still have not been delivered;
 - 1. Recognises the important role that the EIB, the world's largest multilateral lender, despite dedicating only around 10 % of its overall annual disbursements for activities outside the European Union, can play in contributing to the Union's development policy objectives, and in particular in promoting sustainable development, tackling poverty and the food crisis, promoting climate action and environmental sustainability and social and human rights, and in supporting recovery from shocks such as COVID-19;
 - 2. Believes that the projects financed by the EIB in developing countries must be consistent with the EU's policy coherence for development, promote the achievement of the UN sustainable development goals (SDGs), the Paris Agreement and the green deal and must respect the core conventions of the International Labour Organization;
 - 3. Stresses the 'policy first' principle and the notion of 'open architecture' underpinning the European Fund for Sustainable Development Plus (EFSD+) - External Action Guarantee, which should further enhance coherence and coordination among the EIB, EBRD, European Development Finance institutions, national development agencies, the Commission and Member States in identifying and implementing investment operations that can contribute to sustainable development, and respond to the increasing challenges posed by the COVID-19 pandemic;
 - 4. Notes that private sector investment will be essential to fill the funding gap for the SDGs; recalls the crucial role of the EIB in de-risking private investment, particularly in fragile contexts; is concerned, however, about the use of EU development funds for de-risking private investment given the lack of evidence as to the capacity of this financial modality to demonstrate additionality and fulfil development objectives, as recently reported in the final review of EFSD as well as the opinion of the European Court of

Auditors (No 7/2020); stresses the need for donors to prioritise grant-based financing as the default option, especially for LDCs, and for them not to favour blending, guarantees or any loans over grants, since they fall short of the SDGs and could increase countries' burden of debt;

5. Calls on the EIB to maximise additionality and the development impact of its operations outside the Union by increasing its engagement in LDCs, enhancing the transparency of operations carried out by financial intermediaries notably by disclosing the name of the final beneficiary, the amount received, the type of project and related environmental information, cooperating with EU delegations, and increasing its presence on the ground with additional staff focusing on development issues in partnership with local institutions, authorities and initiatives, and by responding adequately to local needs;
6. Stresses that the EIB should only finance clients that demonstrate willingness and experience in positive sustainable development impacts, and that it should refrain from supporting transnational companies and financial intermediaries that do not prioritise development projects and primarily seek profit maximisation, such as investment and private equity funds;
7. Underlines the priority to support partner countries, particularly developing countries, in their post pandemic recovery by strengthening public services and infrastructure, notably education and health systems, supporting local development and actors and domestic resource mobilisation, focusing on the fight against growing inequalities and enabling in particular the lower 40 % of the population to participate and contribute to a decent and future oriented process of re-building their communities; calls on the EIB to continue supporting specific investments to guarantee equal access to education, employment and financial services of women and girls, who are more vulnerable to the effects of poverty and food and economic crises;
8. Points out that the agriculture, food, forestry and fisheries sectors are key players for growth and development in rural areas; calls on the EIB to boost its investment and to support innovation in these relevant sectors, which can significantly contribute to food security, healthy diets as well as sustainability and resilience of global food systems; recalls the need for cooperation in the framework of the UN Food Systems Summit to achieve more progress on all 17 SDGs;
9. Expects the EIB to further develop its analytical and operational tools in order to support the UN 2030 sustainability agenda; stresses the importance of further enhancing the existing monitoring framework of the EIB to better assess and track the inputs and outputs of different projects, to monitor technical assistance activities and results, to facilitate financing and to strengthen technical advice operations;
10. Recalls the need for robust and publicly available ex ante impact assessments to mitigate the risks of EIB operations on human rights and on environmental, labour and social standards, and the need for regular and meaningful consultations with stakeholders, including civil society organisations; believes that ex ante impact assessments on human rights should be carried out for every project funded by the EIB, especially when implemented by financial intermediaries, and that continuous monitoring of operations on the ground should be ensured; stresses that the EIB needs to deal with complaints in a transparent and effective manner ensuring that local

communities have access to independent entities such as a reinforced EIB complaint mechanism with effective redress and the European Ombudsman; calls on the revision of the EIB's environmental and social standards in 2021 to address these major issues;

11. Welcomes the commitments made by the EIB towards countering tax evasion of beneficiary companies for development projects; calls on the EIB to prevent companies controlled by entities located in countries listed on the EU blacklist of prohibited jurisdictions from accessing EIB financing; calls on the EIB to require potential beneficiary companies to disclose information about their tax payments in each country in which they operate as a precondition for accessing EIB financing;
12. Reiterates its longstanding calls for the European Court of Auditors to be empowered to audit all EIB operations, and that these audits be made publically available;
13. Calls on the Commission to regularly disclose the rationale behind its opinions on the projects financed by the EIB, given that making such information public would clarify the decision-making process for EIB operations covered by the EU guarantee and the contribution of such operations to the Union's development policy objectives;
14. Calls on the EIB to apply a suspension to its pending loans, to carefully assess the debt impact of its future operations, and to express public support for the creation of a multilateral debt workout mechanism to address both the impact of the crisis and the financing requirements of the Agenda 2030, given that all EIB shareholders are committed to the G20 commitment to suspend the debt of 77 countries following the debt crisis linked to the COVID-19 outbreak;
15. Calls on the EIB to engage in closer and transparent dialogue with Parliament, notably in the context of the EFSD+ and the ongoing discussions on the future European financial architecture for development, the future development and climate bank and on the role of the EIB in this new framework.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	16.3.2021
Result of final vote	+: 21 -: 2 0: 1
Members present for the final vote	Anna-Michelle Asimakopoulou, Hildegard Bentele, Dominique Bilde, Udo Bullmann, Catherine Chabaud, Antoni Comín i Oliveres, Ryszard Czarnecki, Gianna Gancia, Charles Goerens, Mónica Silvana González, György Hölvényi, Rasa Juknevičienė, Beata Kempa, Pierfrancesco Majorino, Erik Marquardt, Norbert Neuser, Janina Ochojska, Jan-Christoph Oetjen, Christian Sagartz, Marc Tarabella, Tomas Tobé, Miguel Urbán Crespo, Bernhard Zimniok
Substitutes present for the final vote	Barry Andrews

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

21	+
ECR	Ryszard Czarnecki, Beata Kempa
NI	Antoni Comín i Oliveres
PPE	Anna-Michelle Asimakopoulou, Hildegard Bentele, György Hölvényi, Rasa Juknevičienė, Janina Ochojska, Christian Sagartz, Tomas Tobé
Renew	Barry Andrews, Catherine Chabaud, Charles Goerens, Jan-Christoph Oetjen
S&D	Udo Bullmann, Mónica Silvana González, Pierfrancesco Majorino, Norbert Neuser, Marc Tarabella
The Left	Miguel Urbán Crespo
Vers/ALE	Erik Marquardt

2	-
ID	Gianna Gancia, Bernhard Zimniok

1	0
ID	Dominique Bilde

Key to symbols:

+ : in favour

- : against

0 : abstention