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*Plenary sitting*

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**A9-0294/2022**

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# REPORT

on the control of the financial activities of the European Investment Bank –  
Annual Report 2021  
(2022/2153(INI))

Committee on Budgetary Control

Rapporteur: Angelika Winzig

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### **on the control of the financial activities of the European Investment Bank – annual report 2021 (2022/2153(INI))**

*The European Parliament,*

- having regard to the European Investment Bank (EIB) activity report 2021 entitled ‘The Innovation Response’, published on 27 January 2022,
- having regard to the EIB Financial Report 2021 and the EIB report on financing and borrowing activities 2021, both published on 5 May 2022,
- having regard to the EIB Group Operational Plan 2021, published on 20 January 2021,
- having regard to the EIB Investment Report 2020/2021: Building a smart and green Europe in the COVID-19 era, published on 21 January 2021,
- having regard to the implementation plan for the EIB Group Climate Bank Roadmap 2021-2025, adopted by the EIB’s Board of Directors on 14 November 2020 and published on 14 December 2020,
- having regard to the EIB Climate Strategy, adopted in November 2020 and published on 15 November 2020,
- having regard to the EIB Group Sustainability Report 2021, published on 6 July 2022,
- having regard to the EIB Group Environmental and Social Sustainability Framework, adopted on 2 February 2022,
- having regard to the EIB Audit Committee Annual Reports for the year 2021, published on 21 July 2022,
- having regard to the EIB Fraud Investigations Activity Report 2021, published on 7 July 2022,
- having regard to the Annual Report of the Procurement Complaints Activity and the Procurement Complaints Committee of the European Investment Bank 2021, published on 7 April 2022,
- having regard to the working arrangement signed by the EIB, the European Investment Fund (EIF) and the European Public Prosecutor’s Office on 7 December 2021,
- having regard to the EIB Compliance Activity Report 2021, published on 25 August 2022,

- having regard to the EIB Group PATH Framework – Supporting counterparties on their pathways to align with the Paris Agreement (Paris Alignment for Counterparties framework), published on 26 October 2021,
  - having regard to the EIB Group Anti-Fraud Policy, published on 5 August 2021,
  - having regard to the 2020 Annual Report of the EIB Ethics and Compliance Committee, published on 8 April 2022, and to the Committee’s operating rules,
  - having regard to the codes of conduct for EIB Group staff, for members of its Audit Committee and for its Management Committee,
  - having regard to the EIB Group’s Risk Management Disclosure Report 2021, published on 9 August 2022,
  - having regard to the EIB’s Rules of Procedure,
  - having regard to the Tripartite Agreement between the European Commission, the European Court of Auditors (ECA) and the European Investment Bank (the Tripartite Agreement), which came into force in November 2021,
  - having regard to the EIB Group Transparency Policy, published on 18 November 2021, and to its whistleblowing policy, published on 24 November 2021,
  - having regard to the new EIB Cohesion Orientation 2021-2027, published on 13 October 2021,
  - having regard to its resolution of 7 July 2022 on the control of the financial activities of the European Investment Bank – annual report 2020<sup>1</sup>,
  - having regard to Rule 54 of its Rules of Procedure,
  - having regard to the report of the Committee on Budgetary Control (A9-0294/2022),
- A. whereas the EIB Group consists of the EIB and the EIF, is the biggest multilateral financial institution in the world and one of the largest providers of climate finance; whereas the EIB focuses on the priority areas of climate and environment, development, innovation and skills, small and medium-sized enterprises, infrastructure and cohesion; whereas the EIF supports small and medium-sized enterprises with financing for entrepreneurship, growth, innovation and research, employment and regional development;
- B. whereas the EIB is required by the treaties to contribute to EU integration, as well as to the balanced and steady development of the internal market, taking into account public policy goals such as social cohesion and sustainable development, in order to address inequalities by providing better conditions for accessing jobs and education opportunities, public infrastructures and services, and promoting a healthy and sustainable environment;

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<sup>1</sup> Texts adopted, P9\_TA(2022)0299.

- C. whereas the EIB is bound by the EU Charter of Fundamental Rights; whereas human rights principles are integrated into its due diligence procedures and standards, including publicly available ex-ante assessments;
- D. whereas EIB investments have the capacity to support the social sector, including health, housing and education;
- E. whereas territorial and social cohesion, sustainable development and tackling unemployment, poverty and social exclusion should be at the heart of the EIB's activity; whereas sustainability is required to be integrated into any lending, borrowing and advisory activities because the EIB's remit is to foster sustainable growth within the European Union and abroad; whereas support for cohesion is enshrined in its Statute and the EIB's investments aim at contributing to the balanced and steady development of the internal market;
- F. whereas the EIB plays a key role as the EU climate bank in the fight against the global emergencies of climate change, environmental degradation and biodiversity loss; whereas the EIB is committed to aligning all of its activities to the Paris Agreement in order to increase the annual financing for climate action and environmental sustainability to more than 50 % of total lending by 2025; whereas it is committed to investing at least EUR 1 trillion in climate financing over the next decade;
- G. whereas the Guarantee Agreement with the EIB Group (EIB and EIF) under InvestEU was negotiated in 2021 and at the beginning of 2022 and was signed on 7 March 2022;
- H. whereas the Member States may entrust to the EIB the implementation of financial instruments which they use to invest Recovery and Resilience Facility (RRF) funds into eligible projects; whereas the EIB may offer further financing and dedicated advisory support to the Member States for investing their RRF funds;
- I. whereas the EIB contributes to implementing the political and economic goals of the European Union and supports the Union's external action priorities in all regions around the world, including in politically sensitive countries in the Eastern and Mediterranean Neighbourhood regions;
- J. whereas the EIB is the largest multilateral lender in the EU Neighbourhood regions, covering the Eastern Neighbourhood countries, the Western Balkans, the Middle East and North Africa; whereas the EIB runs operations outside the European Union through a network of nearly 30 external offices located in Africa, Latin America and Asia;
- K. whereas the EIB Group works closely with the EU institutions and other partners to support the Union's objectives and policy priorities; whereas, in particular in the framework of the multiannual financial framework (MFF) 2021-2027, the EIB Group works in conjunction with the Commission and with national promotional banks and institutions and development finance institutions; whereas in order to achieve the principles and goals of the Paris Agreement by the end of 2020, the EIB Group worked in coordination with the European External Action Service and the European Bank for Reconstruction and Development;

- L. whereas the EIB is at the forefront of tackling the COVID-19 crisis in the European Union and has made a considerable effort to offer additional support in particular for small and medium-sized enterprises (SMEs) by establishing the new Pan-European Guarantee Fund (EGF) to provide capital for SMEs, which have been hit particularly hard by the effects of the crisis;
- M. whereas the EIB's AAA rating is necessary to ensure appropriate market sources of financing at the most preferential rates and must therefore be preserved;
- N. whereas the EIB's business model requires the highest levels of integrity, transparency, accountability and good governance, as well as adequate measures to effectively and efficiently combat all forms of money laundering, the financing of terrorism, organised crime and harmful tax practices, as well as the types of prohibited conduct identified in its recently reviewed Anti-Fraud Policy;

### ***Performance of the EIB's financial transactions***

- 1. Underlines that the EIB is a leading issuer and continuously contributes to innovations and developments in the capital markets while promoting the most rigorous standards;
- 2. Remarks that on 31 December 2021 the total EIB Group balance sheet stood at EUR 568 billion, which was an increase of EUR 11.9 billion compared to 31 December 2020;
- 3. Notes that in 2021 the bank's new lending signatures amounted to EUR 65.4 billion, in line with the target set in the Operational Plan 2021 and close to the results of the previous years (EUR 66.1 billion in 2020 and EUR 63.3 billion in 2019); acknowledges that EUR 54.3 billion of this amount was under the bank's own resources (compared to EUR 64.6 billion in 2020, also under the bank's own resources);
- 4. Points out that, as in previous years, the biggest share was allocated in Italy, France and Spain (16 %, 14 % and 12 % of the total signatures respectively) and that, as in previous years, the transport, global loans and energy sectors received the largest shares (30.2 %, 18.5 % and 14.8 % respectively);
- 5. Remarks that the total disbursements amounted to EUR 41.4 billion in 2021, of which EUR 40.4 billion was under the bank's own resources (in 2020, disbursements amounted to EUR 58.3 billion, of which EUR 56.8 billion was under the bank's own resources);
- 6. Observes that since 31 December 2021 the outstanding volume of signed loans has slightly decreased to EUR 556.4 billion (from EUR 558.7 and EUR 560.3 billion respectively in 2020 and 2019), 82 % of which was for projects within the EU (82.2 % in 2020 and 81.4 % in 2019); notes that the EIB's disbursed loan portfolio amounted to EUR 433.4 billion, compared to EUR 444.6 and EUR 447.5 billion at the end of 2020 and 2019 respectively;
- 7. Underlines that the above financing trend in 2021 reflects the EIB's increasing focus on using third-party funds in the European Union, such as transactions deployed under the EGF and decentralised financial instruments, which complement the EIB's own

resources and enable it to increase the overall volume of higher-risk transactions; remarks that the EIB only accepts taking credit, market and liquidity risk in line with its risk appetite and public mission;

8. Notes that in 2021 the EIB was the largest multilateral development bank issuer of green and sustainability use-of-proceeds bonds, reaffirming its role as leader in the global green and sustainability bond markets, with a new record of EUR 11.5 billion in climate and sustainability awareness bonds (against EUR 10.5 billion equivalent issuance in sustainability debt products in 2020); notes also that this increased the sustainability funding share in its total funding to 21 % from 15 % in 2020 (considering both climate awareness bonds and sustainability awareness bonds – CABs and SABs);
9. Appreciates the report entitled ‘Evaluation of the EIB’s Climate Awareness Bonds’, adopted in March 2021 by the EIB’s Board of Directors; understands that the CABs and SABs will be gradually aligned with the forthcoming EU Green Bond Standard (EU GBS);
10. Is aware that the EIB raises long-term funds through bond issuance on the international capital markets to meet its lending needs; notes that during 2021 the EIB raised the equivalent of EUR 55.3 billion in 21 currencies;
11. Takes note that the EIB generates income by financing large volumes of loans at a low margin and that on 31 December 2021 it reported a net profit of EUR 2.5 billion, which was an increase in comparison to EUR 1.7 billion and EUR 2.4 billion in 2020 and 2019 respectively;
12. Remarks that, because profits are retained to support the EIB’s operations, the bank’s consistent profitability has led to the build-up of considerable reserves over the years; welcomes the fact that the reserves have increased from EUR 73.5 billion at the end of 2020 to EUR 76.1 billion at the end of 2021;
13. Notes that the overall loan portfolio continued to perform well, with only 0.3 % impaired loans at the end of 2021 (compared with 0.4 % at the end of both 2020 and 2019); observes that the portion of payments overdue by more than 90 days remains very low, totalling EUR 116.3 million at the end of 2021 (compared with EUR 117.1 million and EUR 146.0 million at the end of 2020 and 2019 respectively) and, as in previous years, representing only 0.03 % of the risk portfolio;
14. Welcomes the Board of Directors’ approval on 15 December 2021 of the EIB Group Operational Plan 2022-2024; appreciates that the new Operational Plan confirms the EIB’s alignment with the EU’s political priorities and its commitment to step up its ambition for the digital and green transitions;
15. Remarks that the Operational Plan reflects the anticipated borrowing needed to achieve its operational targets and that the Board of Directors has authorised global borrowing of up to EUR 50 billion for 2022; notes, furthermore, that the EIB has announced a funding programme expected to amount to EUR 45 billion;

16. Calls on the EIB to play an active role in supporting projects that contribute to the just transition, such as research, innovation, digitalisation, SMEs' access to finance, social investment and skills;

#### *Actions related to the COVID-19 pandemic*

17. Stresses that the European Union's 2021-2027 long-term budget (EUR 1.2 trillion in current prices), together with the NextGenerationEU (NGEU) temporary recovery instrument (EUR 806.9 billion in current prices), are an unprecedented and unique response aimed at helping to repair the economic and social damage caused by the COVID-19 pandemic and facilitating the digital and green transitions;
18. Notes that, in 2021, the various pandemic waves disrupted the activities of many of the bank's clients, including SMEs and large companies as well as financial institutions, which resulted in reductions in volumes and disbursements;
19. Remarks that the COVID-19 pandemic has not materially affected the quality of the EIB's loan portfolio thanks to its credit risk management strategy;
20. Notes with appreciation that despite the general context of uncertainty in the global financial markets caused by the COVID-19 pandemic, the EIB continues to maintain a robust liquidity position and the highest credit rating;
21. Notes that, in 2021, the EIB approved 109 stand-alone transactions aiming to respond directly to the COVID-19 crisis totalling EUR 12.9 billion (out of a total approved volume of EUR 55.8 billion); points out that since the start of the COVID-19 pandemic the EIB Group has approved almost EUR 72 billion in targeted support for the public health sector, the delivery of vaccines and for businesses which have been severely hit by the crisis;
22. Underlines the significant support provided by the EIB via the EGF, which complements other actions taken at EU level to tackle the pandemic and post-pandemic crises; appreciates that this support acts as an incentive for financial intermediaries to lend more to companies and under better conditions, thereby helping businesses to access advantageous financing rapidly in order to overcome pandemic-related issues;
23. Notes that the EGF enabled the EIB Group to scale up its support for mostly European SMEs, providing up to EUR 200 billion in additional financing; congratulates the EIB Group for having reached many businesses across the European Union; underlines that projects totalling EUR 23.2 billion have been approved since 31 December 2021 (of which EUR 18.1 billion has already been signed) and that this is expected to mobilise total investments of EUR 174.4 billion;
24. Appreciates that the EUR 6.0 billion increase in the EIB healthcare pipeline enabled investments in the healthcare sector and medical infrastructures, as well as research, vaccine and treatment-related financing; notes that on 31 December 2021, loans signed under this pipeline amounted to EUR 5.4 billion, part of which related to COVID-19 vaccine research;



### *EIB support in key policy areas*

25. Notes that the InvestEU programme, the successor to the European Fund for Strategic Investments, is to be deployed under the 2021-2027 MFF and that the EIB will also be the key implementing partner, responsible for managing 75 % of the overall budget of the mandate; understands that over the 2021-2027 period, InvestEU's EUR 26.2 billion guarantee, with provisioning from the MFF and NGEU, is expected to mobilise more than EUR 372 billion in additional private and public investment in Europe, mainly for sustainable infrastructure, research innovation, digitalisation, SMEs' access to finance, social investment and skills;
26. Calls on the EIB to respect the EU priorities supported by InvestEU and to ensure strong protection of the EU's financial interests; expects the EIB to report to Parliament about its activities and investments related to the InvestEU programme in 2022;
27. Stresses that Europe's 23 million smaller firms represent 99.8 % of non-financial businesses and provide around two-thirds of all jobs; underlines that SMEs are a driving force for economic development across the globe and are also key drivers of innovation; understands that the costs of digitalisation and climate actions were at their highest during the COVID-19 pandemic and have put additional pressure on SMEs, which have received EIB support mainly through the COVID-19 financing package and the EGF;
28. Praises the EIB Group, whose financial support in 2021 to over 431 000 SMEs and mid-caps sustained 4.5 million jobs; recalls that the EIB's support to SMEs accounts for 47 % of the overall volume of financing signed by the EIB and almost all of the EIF's activities; recalls that, in absolute terms, in 2021 SME financing represented EUR 45 billion of the EIB Group's total lending of EUR 94.9 billion, offered at favourable financing terms in the form of lower interest rates and/or longer maturities and advisory services; calls on the EIB to continue its actions and enhance support with additional growth capital to enable SMEs to scale up their operations;
29. Is concerned that the current high energy prices are seriously affecting European SMEs' competitiveness; calls on the EIB to assess whether the current level of support for SMEs is sufficient in the context of high energy prices and rising costs of raw materials and to inform Parliament about how it intends to adapt its actions to tackle these new challenges;
30. Reiterates its call for a fair and transparent geographical distribution of projects and investment, with a focus on less developed regions, especially in innovation, digitalisation and infrastructure, with a view to promoting inclusive growth and economic, social and territorial convergence and cohesion; calls for the EIB to be more active in addressing recurring shortcomings that prevent certain regions or countries from taking full advantage of the EIB's financial activities;
31. Notes that in the present difficult context (the post-pandemic crisis and the Russian aggression against Ukraine), the gap between the economic situations and capacities of the Member States has deepened and underlines the importance of ensuring that the most affected regions and countries adjust to the new circumstances so that no one is left behind;

32. Reiterates its call on the EIB to increase investments in breakthrough innovations to facilitate the digital and green transition;
33. Maintains that all of the EIB's financial flows should be fully consistent with net-zero emissions by 2050 at the latest and with the EU's increased climate objective for 2030; insists that the climate transition must be inclusive and fair and that green investments must be viable; recalls that the EIB is expected to leverage its lending, financial instruments, technical assistance and advisory services in order to support citizens and businesses facing socio-economic challenges arising from the transition towards a carbon-neutral economy;
34. Reiterates its call for the strengthening of technical assistance for and the financial expertise of local and regional authorities, especially in regions with low investment capacity, and for projects of common interest to several Member States which are of such a size or nature that they cannot be entirely financed by the various means available in the individual Member States before project approval, in order to improve accessibility to EIB funding;
35. Reiterates its calls for the EIB to carry out due diligence in the preparation phase of all the projects in order to include careful consideration and respect for human rights and indigenous communities;
36. Stresses that the requirement for financial intermediaries and corporate clients to draw up decarbonisation plans as soon as possible and at the latest by the end of 2025 must facilitate access to finance for SMEs; notes, however, that this is a crucial requirement in light of the EIB's ambitions of becoming the EU's climate bank and achieving a rate of at least 50 % of financing going into green and sustainable projects;
37. Calls for a focus on the credibility of short-term decarbonisation plans, for their stringent implementation and greenhouse gas emissions reduction targets and for an evaluation to ascertain whether these can be included in contractual clauses between the EIB and its clients;
38. Is aware that the EIB's actions connect climate, innovation and development and recognises that innovation and technology are key enablers for the transition to a net-zero emission economy; welcomes the partnership between the Commission and the Breakthrough Energy Catalyst aiming at mobilising up to USD 1 billion over the 2022-2026 period in order to accelerate the deployment and commercialisation of innovative technologies that will help deliver European Green Deal ambitions and the European Union's 2030 climate targets;
39. Emphasises the need to achieve an adequate level of energy security in order to achieve the fast and stable independence of European countries;
40. Calls on the EIB to increase financing in order to boost the technological transition, provide funds to SMEs for long-term research and innovation, support the development of skills adapted to real labour market needs, and promote investment in employees' and entrepreneurs' digital skills, digital infrastructure and capacity-building for digitalisation; stresses that European SMEs are lagging behind in embracing digital technologies, with only 55 % of EU SMEs with at least a basic level of digitalisation;

41. Notes the reported increase in the percentage of EIB signatures related to the horizontal public policy goal on EU Economic and Social Cohesion and Convergence from 34.5 % in 2020 to 41.5 % in 2021; welcomes the EIB's ambition set in its new Cohesion Orientation paper for 2021-2027 regarding increased EIB Group financing dedicated to cohesion with an orientation of 40 % of financing in the EU for 2022 (reaching 45 % by 2025), of which 20 % is in less developed regions (reaching 23 % by 2025); calls on the EIB to continue providing advisory services to cohesion regions, which helps them to make better use of the available investments;
42. Calls on the EIB to continue to prioritise investments in health infrastructure, staff training and in the quality of health services in order to reduce inequalities between countries;
43. Welcomes the decision of the EIB Board of Directors in September 2021 approving the creation of EIB Global, the new branch responsible from 1 January 2022 for all of the EIB's activities in the enlargement region and the countries of the European Union's Eastern and Southern Neighbourhood, Sub-Saharan Africa, Asia, Latin America, the Caribbean and the Pacific;
44. Believes that EIB Global should enjoy the operational autonomy needed to successfully implement the EU policies embracing the appropriate corporate culture of a development bank, while benefiting from the bank's legal framework and sharing the same policies and high standards;
45. Underlines the crucial role of the EIB in meeting the goals of the Just Transition Mechanism and calls for more involvement and concrete actions in this respect;
46. Underlines that the agriculture, forestry and fisheries sectors are key players for growth and development in rural areas; calls on the EIB to provide better assistance and support innovation in these relevant sectors, which can significantly contribute to food security; underlines that the financial needs of farmers, especially young and new entrants, are significant and that farmers and enterprises in this sector have a lower rate of success when applying for financing; calls for the EIB to continue to work on new financial tools that will boost accessibility for the agricultural sector;
47. Condemns the Russian Federation's illegal, unprovoked and unjustified military aggression and invasion of Ukraine; underlines the fact that the war has created a severe humanitarian crisis and has had a fundamental impact on the economic and security situation in the EU and its neighbourhood, which needs to be broadly reflected in the EIB's activities and investment plans;
48. Is concerned about the energy dependency and vulnerability of the Republic of Moldova which the current energy crisis has exacerbated; urges the EIB to support investments in the Republic of Moldova's long-term energy autonomy and diversification;

***EIB compliance, transparency and accountability***

49. Reiterates that the EIB's AAA rating is necessary to ensure appropriate market sources of financing and must be preserved; believes that financial strength, good governance,

conservative risk appetite, long-term sustainability and the EU's support are essential components as well as intrinsic qualities of its successful business model;

50. Takes note of the EIB Audit Committee's observations and recommendations to the bank for 2021; calls on the EIB to implement these recommendations and to complete the implementation of those pending from the previous years;
51. Agrees with the EIB Audit Committee's view that there is a need for enhanced monitoring, management and oversight of operational and technology risks, including cyber risks and other non-financial risks;
52. Welcomes the EIB's focus on digitisation strategy and information security risk management and cyber-security and the adoption in May 2021 of the EIB Group – Digital Ambition (ICT) Strategy; recalls that cyber-attacks are liable to result in operational, reputational and legal risks; expects the EIB to adopt an action plan encompassing both defence against and recovery from cyber-attacks, with specific deliverables and clear indicators, and to promote a strong cyber-security culture among employees;
53. Notes that the EIB, the Commission and the ECA renewed the Tripartite Agreement on 11 November 2021; regrets the fact that the revised agreement does not offer the extensive solution which Parliament has called for; welcomes, however, that the new agreement allows for greater access to and improved streamlining of audited EIB documents; reiterates that the ECA is expected to have full access to all information related to EIB operations intended solely for the implementation of EU policies;
54. Notes that in 2021 the EIB's complaints mechanism registered 64 new cases (compared with 77 in 2020), processed 107 cases (compared with 137 in 2020) and closed 64 cases (compared with 94 in 2020); encourages the EIB to monitor the complaints mechanism recommendations and to make intensive efforts to reach out to stakeholders to offer tailored events;
55. Is aware that the Inspectorate General's Investigations Division (IG/IN) is an internal department which launches enquiries into the types of misconduct defined in the Anti-Fraud Policy in order to provide the EIB Group with relevant facts and recommendations to form the basis of the EIB decision-making process;
56. Notes that the challenges posed by the COVID-19 pandemic have had an impact, for the second year in a row, on the competent division of the Inspectorate General in carrying out its activities, resulting in fewer allegations received (174 in 2021 and 183 in 2020), fewer investigative missions carried out (5 in 2021 and 10 in 2020) and fewer recommendations and opinions issued (45 in 2021 and 52 in 2020, compared with a bigger number of cases completed, i.e. 204 in 2021 and 195 in 2020);
57. Observes that the number of cases where allegations were substantiated following investigation decreased sharply in 2021 (17 cases substantiated out of 67 investigations opened in 2021 and 37 cases substantiated against 91 investigations opened in 2020, which is a decrease from 41 % to 25 %);

58. Welcomes the signature on 29 October 2021 of the working arrangement between the EIB and the European Union Agency for Law Enforcement Cooperation (EUROPOL), which should pave the way towards more effective prevention and detection of risks linked to EIB Group funding;
59. Welcomes the establishment of a new system for following up and reporting on recommendations and opinions; asks the EIB IG/IN to report to Parliament in more detail about the outcome of its investigations; calls for the EIB IG/IN annual report to cover the financial impacts of the cases it investigates, going beyond the mere narrative of the case studies, in order to provide valuable insight for assessing the protection of financial interests;
60. Appreciates the continuous work of the Proactive Integrity Reviews Unit and encourages enhanced cooperation between EIB exclusion and debarment capabilities, the Commission's Early Detection and Exclusion System and other relevant actors (such as the Irregularities Management System database of the European Anti-Fraud Office (OLAF) and the ARACHNE risk-scoring tool) in order to enhance the fraud prevention and detection activities that are essential to safeguard the Union's financial interests;
61. Reminds the EIB that its dual nature (EU body and financial institution) makes its alignment with EU law even more relevant, and that appropriate governance, processes and mechanisms should consistently be designed, implemented and adhered to in line with the Union's standards and criteria and well integrated with those followed by other Union services with which the EIB interacts frequently;
62. Takes note of the updated codes of conduct of the Management Committee and the EIB Board of Directors of August 2021; welcomes the introduction of a longer cooling-off period for members of the Management Committee (24 months instead of 12) and for members of the Board of Directors (12 months instead of 6); regrets, however, that there is no provision excluding vice-presidents from overseeing and taking decisions on operations in their countries of origin, and insists that this be addressed in the next revision;
63. Trusts that project assessments relevant to grant financing decisions are drawn up in compliance with objective technical, financial and economic indicators, and that project quality is the decisive factor in them; believes that the 'governance package' adopted by the Board of Governors in August 2021 and which includes new codes of conduct for the Board of Directors, the Management Committee and the Audit Committee, together with the revised Operating Rules of the Ethics and Compliance Committee, strengthens the EIB's ethical framework, as it includes more stringent rules on post-employment activities; reiterates its call for addressing the remaining shortcomings regarding avoidance of conflict of interests in the next revision of the Management Committee's code of conduct;
64. Is concerned by the failings of the EIF's first and second lines of defence reported to the EIB Audit Committee in internal audit reports in December 2021 and January 2022; calls on the EIB to take appropriate remedial action and to inform Parliament about such interventions;

65. Welcomes the revised EIB Group whistleblowing policy of November 2021, which also grants protection to whistleblowers who are not EIB staff members;
66. Recognises that human rights, inclusiveness and sustainability are fundamental pillars of the EIB Group's activities and operations; welcomes the progress made in 2021 in the revision and adoption (finalised in February 2022) of the Environmental and Social Sustainability Framework; is aware that the new framework consists of the revised EIB Group Environmental and Social Policy and the EIB's Environmental and Social Standards and that lessons learned through complaints lodged with the Complaints Mechanism and the European Ombudsman are duly fed into this review;
67. Takes the view that a strengthened anti-fraud policy should indicate effective ways to correct misconduct and mitigate risks and should provide a set of tools that are compatible with the regulatory framework in order to successfully freeze projects affected by credible suspicions and to terminate contracts with non-compliant clients;
68. Reiterates its concern about several cases which OLAF closed in 2020 focusing on educational allowances unduly granted to EIB staff members; welcomes the EIB's revision and reform of the allowances system and its correction of many of the errors which OLAF detected, including steps to recover undue payments; reiterates its request to the EIB to report to Parliament on the outcome of the follow-up to OLAF's recommendations;
69. Welcomes the adoption of the EIB Group's revised transparency policy on 17 November 2021 following an extensive public consultation; notes that this policy lays down provisions for the proactive publication of information and documents and their disclosure upon request;
70. Invites the EIB to better implement its transparency policy, to implement the Ombudsman recommendations from the three decisions published on 21 April 2022 calling on the EIB to adopt a more ambitious approach to its disclosure practice, in line with EU transparency legislation, and to take several transparency steps;
71. Urges the EIB to quickly respond to the Ombudsman's requests to enable the public to see more easily the potential environmental impact of the projects it finances;
72. Reiterates its call for more transparency and accountability to Parliament; reiterates, in particular, the importance of greater Parliament scrutiny over decisions of the EIB Board of Directors, with enhanced transparency from the Commission on the positions it takes in the EIB Board of Directors meetings; in this regard calls for the consideration of the possibility for Parliament to have observer status in the Board's meetings;
73. Considers that the Commission should provide more transparency on its opinions on the projects financed by the EIB, as this would help clarify its role in respect of the Union's policy objectives;
74. Is aware that the calls for enhanced transparency cannot lead to reduced protection of the legitimate financial interests of clients and need to fall within the existing legal frameworks and the data protection regime;



75. Invites the representatives of the bank to increase the level of engagement and interaction with Parliament, especially regarding the control of financial activities;
76. Is concerned that the targets set in the diversity and inclusion strategy 2018-2021 have not been fully achieved; calls on the EIB to make concrete efforts to improve the gender balance of its staff, in particular at management and senior official levels;
77. Understands that the reduced recruitment during the COVID-19 pandemic, the specific nature of the profiles sought by the bank (in risk management, compliance and IT roles, recruited in many cases from the banking industry and specialised sectors that are not necessarily diverse themselves) and the competitiveness of the labour market in Luxembourg are examples of the limitations to be taken into consideration in assessing the overall situation;
78. Acknowledges the long-standing concerns and complaints regarding the vast pay gaps between administrative and professional categories of staff; draws attention to the high costs of living in Luxembourg and notes that the correction coefficient for Luxembourg is fixed at 100 %, although it should be higher; points to the challenges faced by the staff members employed under the administrative category and how these can negatively impact the attractiveness of working at the EIB and the standard of living of its staff;
79. Encourages the bank to persist in taking action to achieve more discernible gender balance within its organisation;
80. Welcomes the fact that the EIB is constantly monitoring geographical balance and that the data on this are taken into consideration for ongoing and future recruitment processes;
81. Reiterates its call on the EIB to ensure proper geographical representation from all Member States in its administration, taking into consideration the competences and merits of the candidates; calls on the bank to publish, annually, a gender and nationality breakdown of middle and senior management positions;
82. Notes the two proposals for a Framework on the Right to Strike and a Framework on the Recognition of Trade Unions and understands that the Management Committee will adopt these frameworks in a timely manner;
83. Invites the bank to further report on the implementing measures that have been rolled out on the basis of the 2021 health and wellbeing survey;

#### ***Follow-up to Parliament's recommendations***

84. Calls on the EIB to continue reporting on the state of play and status of the previous recommendations issued by Parliament in its annual resolutions especially as regards:
  - (a) impacts (economic, environmental and social) of its investment strategy and results achieved in contributing to the balanced and steady development of the internal market in the interests of the Union;

- (b) actions adopted to enhance the countering of misconduct and conflicts of interest, tax avoidance, fraud and corruption;
- (c) measures to strengthen support for SMEs and eligible economic operators when implementing EU policies and to avoid any new requirements that create more bureaucracy for SMEs;
- (d) follow-up to the calls and requests made in this resolution;

◦

◦      ◦

85. Instructs its President to forward this resolution to the Council and the Commission, and calls on the Council and EIB Board of Directors to hold a debate on this resolution.



## INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

<b>Date adopted</b>	5.12.2022
<b>Result of final vote</b>	+ : 19 - : 2 0 : 1
<b>Members present for the final vote</b>	Matteo Adinolfi, Gilles Boyer, Caterina Chinnici, Corina Crețu, José Manuel Fernandes, Daniel Freund, Isabel García Muñoz, Monika Hohlmeier, Jean-François Jalkh, Joachim Kuhs, Alin Mituța, Jan Olbrycht, Markus Pieper, Eleni Stavrou, Angelika Winzig
<b>Substitutes present for the final vote</b>	Marian-Jean Marinescu, Mikuláš Peksa, Sabrina Pignedoli, Simone Schmiedtbauer, Ramona Strugariu
<b>Substitutes under Rule 209(7) present for the final vote</b>	Attila Ara-Kovács, Margrete Auken

## FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

19	+
NI	Sabrina Pignedoli
PPE	José Manuel Fernandes, Monika Hohlmeier, Marian-Jean Marinescu, Jan Olbrycht, Markus Pieper, Simone Schmiedtbauer, Eleni Stavrou, Angelika Winzig
RENEW	Gilles Boyer, Alin Mituța, Ramona Strugariu
S&D	Attila Ara-Kovács, Caterina Chinnici, Corina Crețu, Isabel García Muñoz
VERTS/ALE	Margrete Auken, Daniel Freund, Mikuláš Peksa

2	-
ID	Jean-François Jalkh, Joachim Kuhs

1	0
ID	Matteo Adinolfi

Key to symbols:

+ : in favour

- : against

0 : abstention