



Plenary sitting

A9-0210/2023

5.6.2023

REPORT

on the financial activities of the European Investment Bank – annual report
2022
(2022/2062(INI))

Committee on Economic and Monetary Affairs

Rapporteur: Stefan Heinrich Berger

Rapporteur for the opinion of the associated committee pursuant to Rule 57 of
the Rules of Procedure:
David Cormand, Committee on Budgets

CONTENTS

	Page
MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION.....	3
OPINION OF THE COMMITTEE ON BUDGETS	16
INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE.....	25
FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE	26

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the financial activities of the European Investment Bank – annual report 2022 (2022/2062(INI))

The European Parliament,

- having regard to Articles 15, 126, 174, 175, 177, 208, 209, 271, 308 and 309 of the Treaty on the Functioning of the European Union (TFEU) and to Protocol No 5 to the Treaties on the Statute of the European Investment Bank (EIB),
- having regard to Articles 41 to 43 of the Treaty establishing the European Atomic Energy Community,
- having regard to Articles 2 and 3 of the Treaty on European Union,
- having regard to the EIB's approval of the ratification of the Paris Agreement by the EU of 7 October 2016,
- having regard to the EIB Group's Complaints Mechanism Procedures, published on 13 November 2018,
- having regard to the EIB's energy lending policy, published on 14 November 2019,
- having regard to the EIB energy lending criteria of 25 July 2013,
- having regard to the adoption of the Climate Bank Roadmap 2021-2025 by the EIB Board of Directors on 11 November 2020 and to the EIB's new climate strategy of 15 November 2020,
- having regard to the EIB Group Operational Plan 2023-2025, published on 2 February 2023,
- having regard to the European Investment Bank 2022 activity report entitled 'Secure Europe', published on 2 February 2023,
- having regard to the EIB Climate Action and Environmental Sustainability Overview 2023, published on 2 February 2023,
- having regard to the document entitled 'EIB Global', published on 2 February 2023,
- having regard to the EIB Group evaluation entitled 'Rapid assessment of the EIB Group's operational response to the COVID-19 crisis', published on 22 April 2022,
- having regard to the EIB brief entitled 'Evaluation of EIB support for urban public transport in the European Union (2007-2019)', published on 31 May 2022,

- having regard to the EIB Audit Committee Annual Reports for the year 2021, published on 21 July 2022,
- having regard to the EIB Group Risk Management Disclosure Report 2021, published on 9 August 2022,
- having regard to the EIB brief entitled ‘EIB evaluation of the EIB’s special activities’, published on 30 May 2022,
- having regard to the EIB Diversity and Inclusion 2021 Progress Report, published on 9 December 2022,
- having regard to the EIB report entitled ‘EIB Group activities in EU cohesion regions in 2021’, published on 27 July 2022,
- having regard to the EIB Cohesion Orientation 2021-2027, published on 13 October 2021,
- having regard to the EIB Climate Adaptation Plan, published on 26 October 2021,
- having regard to the Tripartite Agreement between the European Commission, the European Court of Auditors and the European Investment Bank, which came into force in November 2021,
- having regard to the EIB Report on the implementation of the EIB Group Transparency Policy in 2021, published on 7 November 2022,
- having regard to the EIB Investment Survey 2022 – European Union overview, published on 8 November 2022,
- having regard to the EIB Group Corporate Governance Report 2021, published on 26 July 2022,
- having regard to the EIB Group PATH Framework – Version 1.1 October 2022 – Supporting counterparties on their pathways to align with the Paris Agreement, published on 1 February 2023,
- having regard to the EIB European Investment Advisory Hub Report 2021, published on 5 July 2022,
- having regard to the EIB’s 2020 activity report entitled ‘Crisis Solutions’, published on 20 January 2021, and its 2021 activity report entitled ‘The Innovation Response’, published on 27 January 2022,
- having regard to the judgment of the General Court of 30 March 2022 in Case T-299/20¹,

¹ Judgment of the General Court of 30 March 2022, *KF v EIB*, T-299/20, ECLI: EU:T:2022:171.

- having regard to the comments issued by the Office of the UN High Commissioner for Human Rights in August 2021 on the Draft Environmental and Social Sustainability Framework (ESSF) of the EIB Group,
- having regard to Cases 1065/2020/PB, 1251/2020/PB and 1252/2020/PB concerning the EIB, which were decided by the European Ombudsman on 21 April 2022,
- having regard to the European Ombudsman’s recommendation in Case 2168/2019/KR on how the European Banking Authority handled the move of its former Executive Director to become CEO of a financial industry lobby, and its decision in Case OI/3/2021/KR on how the European Defence Agency handled the application by its former Chief Executive to take on senior positions at Airbus,
- having regard to the EIB Group Operational Plan 2022-2024, published on 27 January 2022,
- having regard to the EIB Group Environmental and Social Sustainability Framework, adopted on 2 February 2022,
- having regard to the EIB’s Ukraine Solidarity Urgent Response, adopted on 4 March 2022,
- having regard to the joint communication from the Commission and the High Representative of the Union for Foreign Affairs and Security Policy of 18 May 2022 on the Defence Investment Gaps Analysis and Way Forward (JOIN(2022)0024),
- having regard to the Commission communication of 11 December 2019 on the European Green Deal (COM(2019)0640) and to Parliament’s resolution of 15 January 2020 thereon²,
- having regard to the Commission communications of 20 May 2020 entitled ‘EU Biodiversity Strategy for 2030 – Bringing nature back into our lives’ (COM(2020)0380) and ‘A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system’ (COM(2020)0381),
- having regard to the Commission communication of 12 May 2021 entitled ‘Pathway to a Healthy Planet for All – EU Action Plan: “Towards Zero Pollution for Air, Water and Soil”’ (COM(2021)0400),
- having regard to the Commission communication of 8 March 2022 entitled ‘REPowerEU: Joint European Action for more affordable, secure and sustainable energy’ (COM(2022)0108),
- having regard to the Commission communication of 1 February 2023 entitled ‘A Green Deal Industrial Plan for the Net-Zero Age’ (COM(2023)0062),

² OJ C 270, 7.7.2021, p. 2.

- having regard to the joint communication from the Commission and the High Representative of the Union for Foreign Affairs and Security Policy of 1 December 2021 entitled ‘The Global Gateway’ (JOIN(2021)0030),
- having regard to Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme³,
- having regard to Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund⁴ and to Regulation (EU) 2021/1229 of the European Parliament and of the Council of 14 July 2021 on the public sector loan facility under the Just Transition Mechanism⁵,
- having regard to Regulation (EU) 2021/947 of the European Parliament and of the Council of 9 June 2021 establishing the Neighbourhood, Development and International Cooperation Instrument – Global Europe⁶,
- having regard to the UN Sustainable Development Goals,
- having regard to the 2019 report by Counter Balance entitled ‘Is the EIB up to the task in tackling fraud and corruption? Challenges for the EU Bank’s governance framework’,
- having regard to its resolution of 16 January 2020 on institutions and bodies of the Economic and Monetary Union: preventing post-public employment conflicts of interest⁷,
- having regard to the European Ombudsman’s letter of 22 July 2016 to the President of the EIB on conflict of interest issues and to the President of the EIB’s reply of 31 January 2017,
- having regard to the European Ombudsman’s inspection report of 18 May 2022 in Case OI/1/2021/KR on how the Commission handles the challenge of ‘revolving door’ situations involving its (former) staff members,
- having regard to the EIB Investment Report 2022/2023 entitled ‘Resilience and renewal in Europe’, published on 28 February 2023,
- having regard to Rule 54 of its Rules of Procedure,
- having regard to the opinion of the Committee on Budgets,
- having regard to the report of the Committee on Economic and Monetary Affairs (A9-0210/2023),

³ OJ L 107, 26.3.2021, p. 30.

⁴ OJ L 231, 30.6.2021, p. 1.

⁵ OJ L 274, 30.7.2021, p. 1.

⁶ OJ L 209, 14.6.2021, p. 1.

⁷ OJ C 270, 7.7.2021, p. 113.

- A. whereas under Article 309 TFEU, the EIB is tasked with contributing to the achievement of the EU's objectives, including through various investment instruments such as loans, equities, guarantees, risk-sharing facilities and advisory services;
- B. whereas the EIB is the long-term lending arm of the European Union and the world's largest multilateral lender, and has an important role as a financial institution supporting the digital and green transitions;
- C. whereas the EIB, which is owned by the 27 EU Member States, must always seek to support the objectives of the EU and, primarily, to boost the EU's potential in terms of job creation, economic growth and competitiveness; whereas its mandate includes the promotion of EU policies in non-EU countries;
- D. whereas in 2022 the EIB launched a new arm, EIB Global, to handle investments outside the EU; whereas given the many geopolitical challenges in 2022, the role of EIB Global was very important in terms of investment and of Europe's position in the world; whereas this external action must be aligned with the policy objectives of the EU, in particular regarding the Global Gateway;
- E. whereas the EIB has branded itself the EU's climate bank in view of the additional investments needed to deliver the green transition;
- F. whereas in order to achieve the EU's climate goals, investments of EUR 1 trillion a year are needed in the EU, which is EUR 356 billion more a year than in 2010-2020; whereas a capable investment bank such as the EIB can help to bridge the gap by crowding in private capital;
- G. whereas the EIB has a significant role, through the European Investment Fund, in supporting European small and medium-sized enterprises (SMEs) and enhancing their ability to access financial markets, from venture capital to micro-financing, thereby guaranteeing a strong and competitive capital markets union;
- H. whereas the EIB will support REPowerEU with an additional EUR 45 billion in loans and equity financing over the next five years;
- I. whereas a more integrated capital markets union would make it easier for the EIB to unlock investment, boosting and diversifying investments in the real economy, in particular in SMEs, and triggering further cross-border equity investment and trade;
- J. whereas the EIB eligibility list currently excludes equipment and infrastructure for military use; whereas investments in dual-use technology are not excluded;

General remarks

- 1. Emphasises the important role played by the EIB as the lending arm of the European Union and the only multilateral financial institution that is entirely owned by the Member States, with operations that are guided by EU policy and subject to EU legal standards in supporting the EU's objectives; takes note of the EIB's 2022 activity report and the EIB Group Operational Plan 2023-2025;

2. Appreciates the fact that the EIB is always ready to adapt and reinvent itself in line with changing EU policy requirements, while respecting its long-term goals;
3. Notes the persistent investment gap in the EU and the increased need for countercyclical investment as the EU enters its fourth year of crisis, which is the result of the COVID-19 pandemic and Russia's war of aggression against Ukraine; welcomes, in this regard, the EIB's crucial role, as an important actor in the EU's investment policy, in stepping in where there is a lack of private financing; calls on the EIB to ensure the maximum level of additionality for investments in the real economy;
4. Welcomes the EIB's investment of EUR 72.4 billion of financing in 2022 and the bank's focus on the EU's long-term challenges of competitiveness, productivity, social cohesion, climate change, sustainability and digital transformation;
5. Stresses that the EIB would be well advised to take into account the significant financing needs in the blue economy, which is a sector of economic growth and important scientific discoveries;
6. Notes that there is a need to prepare for the future and to plan for Ukraine's longer-term reconstruction; believes that alignment with EU policy priorities should become the key driver of the EIB's future investment strategy in Ukraine;
7. Welcomes the new Cohesion Orientation, noting that the EIB should devote the majority of its resources to promoting economic, social and territorial convergence and that cohesion should be the overarching priority of its investment strategy; stresses the importance of the EIB's advisory services in preparing and implementing projects for clients with low administrative capacity and, in this context, in helping companies adapt to changing EU policy goals, in particular those related to the climate and to digitalisation;
8. Notes the EIB's affirmation that the challenges faced by mid-caps in cohesion regions in accessing finance 'are more structural'; calls on the EIB to address these structural barriers by adapting its approach so that SMEs and mid-caps in cohesion regions can also fully benefit from EIB financing;
9. Believes that the EIB could do more to adapt to the regional diversity of the EU in order to increase the attractiveness of its funds; expects the EIB to do more to address systemic deficiencies in particular, thus increasing accessibility so that all EU regions can benefit from EIB financial assistance;
10. Applauds the timeliness of the European Guarantee Fund to help mitigate the economic impact of the COVID-19 pandemic on businesses; welcomes the fact that an evaluation of the Fund is included in the EIB evaluation division's programme for 2024;
11. Welcomes the InvestEU agreements signed by the EIB and the Commission on 7 March 2022, on the basis of which up to 75 % of the EU budget guarantee and InvestEU Advisory Hub budget has been allocated to the EIB; welcomes the significant market demand for and high uptake of the InvestEU programme;

12. Welcomes the involvement of the EIB in the EU Just Transition Mechanism in order to address the socio-economic impact of the transition to a low-carbon economy and to generate new opportunities for sustainable development in the affected regions, such as coal and mining regions and others, thus securing a just transition that leaves nobody behind; invites the EIB to develop a communication and advisory strategy to increase the knowledge and attractiveness of these financial instruments among their potential beneficiaries;
13. Notes that the EIB is a leveraged institution; stresses that the EIB's 'triple A' rating is an important asset that enables the EIB to take greater risks in funding public-interest projects than private commercial banks;
14. Calls on the EIB to continue to duly assess the potential risks during its lending activity, particularly in this challenging economic and financial environment, while ensuring that its financing contributes to addressing market failures and avoids crowding-out effects;
15. Emphasises the importance of adherence to the rule of law in the European Union, as enshrined in the Treaty on European Union; invites the EIB to align its activities with the rule of law conditionality mechanism;
16. Invites the shareholders of the EIB to reflect on the optimal equity structure; calls on the shareholders of the EIB to consider a capital increase in order to maintain and enhance the EIB's capacity to act while preserving its credit rating and ensuring that its activities do not crowd out private lenders;
17. Notes that some of the EIB's most successful programmes rely on partnerships with the private sector by crowding in private investment, for instance by taking higher-risk tranches of loans;
18. Notes the ongoing levels of high inflation and, in this regard, asks the EIB to assess the potentially greater financial needs on a project-by-project basis;

Implications of Russia's war of aggression against Ukraine for the EIB's activities in 2022

19. Praises the EIB's engagement in Ukraine, which amounted to EUR 1.7 billion of disbursed funds in 2022; stresses the importance of continuing to support Ukraine and emphasises that the EIB should play an important role in the reconstruction of Ukraine's economy and infrastructure in the future; warmly welcomes, in this regard, the EIB's EU for Ukraine Initiative to finance Ukraine's recovery and reconstruction;
20. Welcomes the fact that the EIB supports and, in line with the Operational Plan for 2023-2025, will continue to support the EU defence industry and joint procurement on the basis of the dual-use principle; welcomes the EIB's new Strategic European Security Initiative (SESI) to strengthen European security and defence by mobilising up to EUR 6 billion, by 2027, for investment in research, development and innovation, civilian security infrastructure, and cutting-edge technology projects;
21. Invites the EIB to expand the SESI programme and further step up its investments in European security and defence; notes that bank financing for the defence industry has been hampered in recent years; invites the EIB to assess where it can contribute to

closing the investment gap and play a role in safeguarding the security of the EU, taking into account relevant international law considerations;

22. Welcomes the EIB's increasing efforts to support food security, energy security and connectivity in the context of the ongoing war; underlines the fact that the war has created a severe humanitarian crisis, has increased food insecurity and has had a fundamental impact on the economic and security situation in the EU and its neighbourhood; stresses that the changes in supply chains and trade and economic relations caused by the war should be taken into account in future investment planning;
23. Expresses its support for EIB Global and stresses its crucial importance in assisting Ukraine, paving the way for a swift reconstruction;
24. Underlines the important role of the EIB in supporting the Member States and non-EU countries, in particular the candidate States for accession to the EU, in accessing risk capital markets, thus expanding the opportunities for investment;

Support for innovation, small and medium-sized enterprises, industry and digitalisation

25. Recalls that SMEs are the backbone of Europe's economy; recalls that the EU's 23 million SMEs account for 99 % of all businesses and provide around three quarters of all jobs; points out that the energy crisis and the consequences of Russia's war in Ukraine pose further challenges for them;
26. Welcomes the fact that in 2022, the EIB provided financing amounting to a total investment of EUR 16.35 billion for SMEs and mid-caps; notes that according to the EIB's assessment, EIB Group operations providing debt support to SMEs totalled almost EUR 20 billion in annual net signatures between 2010 and 2020; calls on the EIB to reflect on ways to further facilitate its support to SMEs, in particular for smaller financing projects;
27. Highlights the fact that support to SMEs and mid-caps must be increased further from current levels, particularly in the context of high energy prices and rising raw material and interest rate costs; stresses that SMEs often have limited administrative resources and pay more than large companies to borrow money since they must accept bank loans with poorer terms, and would thus benefit from having financing channels that are easy to access; calls on the EIB, therefore, to design its programmes in a way that avoids unnecessary red tape and regulatory burdens, thus making them as accessible as possible to SMEs;
28. Points out that a stable energy supply is the cornerstone of a successful industrial policy, particularly for SMEs;
29. Reiterates its call on the EIB to complement efforts to build data-driven solutions, with a particular focus on SMEs' competitiveness, and to focus its investment in this field on bridging digital divides both within the EU and between the EU and other technologically more advanced regions of the world;
30. Notes that the EIB's approach to small businesses needs revision because of the bank's customary reluctance to fund projects with a significant risk component or to deploy

mechanisms that would compensate for this problem; calls on the EIB to develop a long-term strategy to support the SME sector in the EU;

31. Stresses the need for the EIB to have a strong focus on start-ups and projects directed at tackling the growing problem of youth unemployment with a view to creating secure and high-quality jobs;
32. Urges the EIB to increase support directed at scaling up European start-ups, including by taking greater risks in disbursing venture capital to ensure that European start-ups can scale up in the EU rather than outside it;
33. Recalls that digitalisation and decentralisation are important trends in financial markets and in the banking sector and therefore calls on the EIB to focus on investments in sustainable, innovative and future-driven projects;

EU climate bank

34. Notes that the EIB Group Climate Bank Roadmap 2021-2025 outlines the EIB's goals for climate finance that supports the European Green Deal and will help make the EU carbon-neutral by 2050;
35. Notes the Commission's proposal to work with the EIB and national promotional banks to seek ways to scale up support for investment in the net-zero industry supply chain, including by setting up blending operations;
36. Encourages the EIB to use its operations to facilitate and speed up the implementation of the goals of the European Green Deal and EU energy independence, taking into account the most recent state of knowledge on climate change, its widespread impacts and risks and climate change mitigation and adaptation, as well as the increased urgency for the EU to end its dependence on imported fossil fuels, and the reduced affordability and security of supply of food worldwide in the context of the ongoing war in Ukraine;
37. Welcomes the fact that the EIB is the world's largest multi-currency issuer of green bonds; points out that increasing the proportion of euro-denominated bonds would further strengthen the international role of the euro;
38. Welcomes the fact that 58.3 % of lending in 2022 was climate- and environment-related, up from 50.8 % in 2021;
39. Emphasises the importance of investing in low-carbon energy sources; welcomes, in this regard, the EIB's contribution to REPowerEU in the form of an additional EUR 30 billion in investments; welcomes the EIB's activities in this field and encourages the bank to step up its efforts;
40. Welcomes the EIB's first dedicated Climate Adaptation Plan, which sets out to strengthen investment and technical support to shield projects from the impact of extreme weather and increase the climate resilience of infrastructure; notes the introduction of the Climate Risk Assessment System for assessing physical climate risk in direct lending operations at project level;

41. Notes the role that the EIB can play when it comes to investment in deep offshore renewables, specifically in terms of designing instruments that could help get such projects closer to the market;
42. Notes that recent changes to the EIB's Paris Alignment for Counterparties (PATH) framework could reduce its effectiveness in driving decarbonisation; recalls that all recipients of EIB financing are already contractually required to create and publish a credible Paris alignment strategy;
43. Welcomes the introduction of the EIB's new transport lending policy in July 2022 and calls for its swift implementation; invites the EIB to consider ways to align that policy with the transition challenges faced by the transport sector; recalls the need for a higher level of investment in decarbonising the maritime and aviation sectors;
44. Calls on the EIB to finance viable projects that align with the EU taxonomy and projects that aim to reduce the carbon footprint of the maritime sector, such as Green Corridor projects;
45. Calls on the EIB to step up support for affordable and energy efficient housing and the renovation of buildings, in line with the considerable investment needs; stresses the need to strengthen advisory services in the field of housing and to involve local, regional, social and public housing providers in order to ensure that their expertise is used in the development of projects financed by the EIB;
46. Asks the EIB to give particular attention to funding decisions relevant to peripheral, mountainous, sparsely populated or island regions given the difficulties they face in complying with European Green Deal requirements, while simultaneously maintaining and improving their connectivity;

EIB investment in social infrastructure and welfare

47. Expects an increase in EIB-financed operations in the area of social housing, in line with the principles established in the European Pillar of Social Rights and in view of the current EU housing crisis; asks, furthermore, that the EIB keep up its focus on the economic empowerment of women and gender equality when targeting new financing;
48. Is concerned about the worrying state of healthcare systems in many Member States and the ongoing medicine shortage in the EU, which also affects basic medicines such as paracetamol and antibiotics; calls on the EIB, in this context, to evaluate the possibilities for further investment in the healthcare sector with the aim of tackling the EU's structural deficiency in this sector;

EIB Global

49. Welcomes the fact that EIB Global supported EUR 9.1 billion in global investment outside the EU in 2022; expects EIB investments in non-EU countries to be fully aligned with EU and EU external action policies; welcomes the EIB's involvement in the Global Gateway initiative, which will principally support investments in infrastructure and SMEs, thereby contributing to the EU's objective of enhancing its strategic autonomy;

50. Underlines that EIB Global plays a pivotal role in the Global Gateway strategy and the European financial architecture for development; calls for regular assessments of the implementation of the Global Gateway and related EIB Global activities;
51. Calls on the EIB to further strengthen its procedures and practices with respect to human rights and good governance violations emanating from projects it finances, directly or through intermediaries; calls on the EIB to clarify how it evaluates financial and reputational risk when deciding whether to launch an investigation of alleged fraud or corruption in relation to investment projects;
52. Recalls the EU's overarching commitment to defending and promoting EU values and the rule of law in its operations outside the EU; underlines the need to invest in due diligence capabilities when operating in environments marked by challenges to the rule of law and limited recourse in cases of human rights violations; notes that this requires additional human resources and specialised scrutiny, in line with the standard applying to development banks;
53. Recalls that EIB operations outside Europe are based on the general principles guiding the EU's external action as set out in Article 21 of the Treaty on European Union, such as supporting democracy and the rule of law, human rights and fundamental freedoms; stresses that these principles should guide the EIB's operations as a public bank tasked with a development mandate;
54. Underlines that enhancing local presence and increasing cooperation with the EU delegations was a key driver in the establishment of EIB Global; reiterates its calls for additional staff on the ground, particularly with a view to contracting more employees from the countries where financing is taking place; supports the EIB's approach to opening regional offices in Africa and employing local applicants in these offices with the aim of adapting its requirements to local needs;
55. Asks the EIB to better evaluate its effectiveness when it comes to financing for SMEs and mid-caps in Africa, given that the relatively small size of projects often seems to be an obstacle to accessing finance; calls for an evaluation of a potential design for instruments that facilitate investment by EU SMEs in non-EU countries and increase their access to finance, including with respect to smaller projects; notes the importance of the EIB's role in creating a level playing field for SMEs based in Member States whose national development banks do not have the capacity to promote investment in non-EU countries;
56. Underlines that development investments that involve women and take their needs into account are more effective and more sustainable; invites the EIB to ensure that all of its operations benefit women and specifically economic sectors conducive to the advancement of female participation, in line with its gender-smart financing approach;
57. Stresses the importance of consistency and efficiency in development finance, urges the EIB to place greater emphasis on mobilising domestic resources and calls for a general increase of the EIB's commitment in less developed countries that are aligned with the principles and values of the EU;

Transparency and governance

58. Welcomes the launch of the Development Finance Institutions Transparency Index in 2023 and the fact that the associated report ranks the EIB at a similar level to peer development finance institutions in a number of areas, including financial intermediaries and environmental, social and governance and accountability to communities; calls for clear and comprehensive information to be shared with the EU institutions, in particular Parliament;
59. Calls for the EIB's senior positions to be filled by people selected on the basis of merit, ability and experience and for its core areas of activity to be likewise staffed by such people;
60. Regrets the fact that women remain underrepresented in senior positions and in the core areas of activity at the EIB; reiterates its view that more needs to be done to improve both the gender and geographical balance at the EIB in this context;
61. Reiterates its request for an interinstitutional agreement between Parliament and the EIB;
62. Queries whether the EIB has the human resources it needs given the ongoing expansion of its functions and responsibilities;
63. Expresses once more its serious concerns about allegations regarding harassment, the working environment and working conditions at the EIB; notes the judgment of the General Court of 30 March 2022 concerning a harassment case in the EIB (Case T-299/20), which annulled the decision of the EIB President that no harassment had taken place; recognises that efforts have been made by the EIB to address these and other relevant staff issues; urges the EIB to ensure that a policy of zero-tolerance towards all types of harassment is effectively implemented, including preventive and protective measures and proper and reliable complaint and victim support mechanisms; urges the EIB's management to engage in genuine dialogue with staff representatives in order to address their concerns; deplores the fact that no trade union is recognised at the EIB and that the staff delegation has no power to act in negotiations; calls on the EIB's management to observe, at the very least, the International Labour Organization's fundamental principles, such as freedom of association and the right to collective bargaining;
64. Takes note of the EIB's new anti-fraud policy and underlines the importance of inclusive cooperation when developing key anti-fraud policy tools; welcomes the fact that the EIB has adopted and published the EIB Group Policy towards weakly regulated, non-transparent and non-cooperative jurisdictions and tax good governance, which is complementary to the EIB Group Anti-Money Laundering and Combatting the Financing of Terrorism Policy;
65. Reiterates its concern that EIB vice-presidents, in addition to their sectoral responsibilities, oversee project proposals from their home countries, alongside other country responsibilities; invites the EIB to fully implement all recommendations received from the European Ombudsman as regards the activities of former members of its Management Committee, as set out in the Ombudsman's decision of 27 July 2022 in Case 1016/2021/KR;

-
- ◦

66. Instructs its President to forward this resolution to the Council, the Commission and the European Investment Bank.

OPINION OF THE COMMITTEE ON BUDGETS

for the Committee on Economic and Monetary Affairs

on the financial activities of the European Investment Bank – annual report 2022
(2022/2062(INI))

Rapporteur for opinion (*): David Cormand

(*) Associated committee – Rule 57 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. Highlights the fundamental role of the European Investment Bank (EIB) as the EU's public bank and the only international financial institution that is entirely owned by the Member States and fully guided by EU policies and standards in supporting the social and economic recovery and targeting investments for attaining the EU's objectives; notes that the EIB Group signed financing agreements totalling EUR 72.5 billion in 2022;
2. Stresses that the EIB must maintain its high 'AAA' credit rating and retain the full confidence of the capital markets in all its activities given its growing role in implementing Union policies within and outside the Union; reiterates its call for a capital increase to enable more long-term repayable financial support and innovative instruments; notes that this is necessary for supporting key real economy investments that would not be made otherwise and that have the potential to maximise innovation gains in key EU policy areas such as digitalisation and the green transformation, for helping mitigate high energy prices, skills gaps and insufficient investments in innovation and new technologies and for helping implement the European Pillar of Social Rights and the UN Sustainable Development Goals; expects the EIB to refrain from investments that could deter investors and increase its overall financing costs;
3. Welcomes the establishment of the EU for Ukraine initiative and the financial assistance packages granted to Ukraine for a total of EUR 1.7 billion; notes that the EIB's engagement in Ukraine complements financing provided from the EU budget under the macro-financial assistance programme and the new macro-financial assistance plus instrument; believes that Russia's continued war of aggression against Ukraine requires an increase in EIB lending in Ukraine to aid recovery and reconstruction in line with the Council conclusions of 15 December 2022, possibly with the support of additional guarantees under the Neighbourhood, Development and International Cooperation

Instrument; highlights that additional support to Ukraine should not come at the expense of other EIB programmes or EU budgetary support to other regions and countries; emphasises that EIB finance is often linked to concrete projects with a high socio-economic impact and to channelling EU technical expertise to these projects and enabling greater leveraging of funds from the EU budget;

4. Takes note of the fact that the EIB assessed Ukraine's needs at EUR 420 billion in the report entitled 'Ukraine: rapid damages and needs assessment', produced in cooperation with the World Bank; calls for continued thorough analysis of the financial needs for Ukraine's reconstruction and recovery; expects a continuous, coordinated approach to be taken with all the relevant partners in order to support Ukraine's long-term reconstruction; stresses that such an approach must contribute to the EU's core policy objectives, including by supporting projects focused on building energy-efficient buildings, ensuring sustainable forest management and substantially furthering the demining effort; expects the EIB's contribution to be based on a 'build back better' approach, drawing on its expertise, in particular with the European Local Energy Assistance facility; calls for a focus on building back better infrastructure, including energy, water, telecommunication, agriculture and transport infrastructure, and on mitigating the war's impact on the environment; reminds the EIB of the special importance of carrying out social and environmental impact assessments for projects and making the results available to the public, in particular where the projects may cause further damage and destruction to ecosystems; calls for Ukrainian civil society to be heavily involved in this regard and, in particular, for civil society representatives to be included in the Steering Committee for the Multi-agency Donor Coordination Platform; takes note of the specific measures already taken in Ukraine to ensure that funds are used in a way that complies with all the applicable rules and expects the same standards to be upheld in future lending activities, particularly as the financial flows are expected to increase considerably; calls for the possibility of using a war insurance mechanism to be explored;
5. Welcomes the EIB's contribution to supporting the REPowerEU plan with an additional EUR 30 billion in loans and equity financing for projects in the area of renewables, energy efficiency, grids and storage, electric-vehicle charging infrastructure, and breakthrough technologies over the next five years;
6. Considers InvestEU to be an important investment tool that brings much-needed investment to key areas;
7. Stresses the importance of avoiding further geographical imbalances in the EIB's lending activities so as to ensure a broader geographical and sectoral allocation of investments, reduce regional disparities and enhance economic and social convergence; calls on the EIB to address systemic shortcomings that prevent certain regions or countries from taking full advantage of its financial activities; invites the EIB to assess, in particular, whether the geographical distribution of financing under InvestEU is balanced;
8. Stresses the important role of the European Investment Fund in improving access to finance for European smaller companies, mid-caps and start-ups, thereby enhancing support for entrepreneurship, growth, innovation, research and development and

employment in the Union; points out that a stable energy supply is one of the foundations of a successful industrial policy, in particular for small and medium-sized enterprises (SMEs); calls on the EIB to provide additional growth capital to enable SMEs to scale up their operations;

9. Welcomes the fact that 58 % of all new EIB loans granted in 2022 will finance climate and environmental sustainability, accounting for EUR 36.5 billion in investments in 2022, plus a record issuance of EUR 19.9 billion in green bonds or sustainability bonds; welcomes the fact that the EIB's clean energy financing reached a record EUR 19.4 billion in 2022; welcomes, furthermore, the decision to boost the volume of energy lending and make loans more attractive;
10. Calls on the EIB to develop a method of assessing the green funding gap in the EU, to estimate the size of this gap and to identify potential public and private funding sources;
11. Looks forward to the review of the Climate Bank Roadmap ahead of COP28; expects it to bring the EIB into full alignment with the 1.5-degree pathway and expects the EIB's actions to be consistent with the aim of achieving climate neutrality by 2050 at the latest; reiterates its call for the review to include a solid assessment of less carbon-intensive alternatives and 'Scope 3' emissions for each project; recalls that the cut-off date for non-Paris-aligned operations was the end of 2022 and expects the EIB to report on all operations signed since the adoption of the Climate Bank Roadmap;
12. Welcomes the EIB's intention to increase its own higher-risk projects, as set out in its operational plan for 2023-2025; calls on the EIB to adapt its derisking activities in order to steer private finance towards projects that have a high level of additionality and contribute to a just transition, without jeopardising the commercial viability of its portfolio; invites the EIB to learn lessons from the implementation of products such as the climate and infrastructure funds, including the relevance of intermediated equity for achieving this objective and improving the risk-reward ratios of investment in smaller-scale green infrastructure projects;
13. Welcomes the EIB Green Hydrogen Fund's goal of helping reduce emissions from hard-to-abate industrial sectors in developing countries by developing renewable hydrogen; notes that this should only serve the purpose of emissions reduction; insists that the EIB should ensure additionality in these developing countries so as to avoid diverting resources from existing renewable electricity used for direct electrification; underlines the importance of ensuring that renewable-based hydrogen is developed only in localised closed networks; is concerned about derisking private investments for large-scale green hydrogen projects, in particular those aimed at export, in non-EU countries with alarming human rights track records and highlights that decisions on the projects financed are unlikely to be taken with an adequate degree of transparency, accountability and public participation to ensure that local communities truly benefit;
14. Welcomes the Paris Alignment for Counterparties (PATH) framework and expects its full implementation; reminds the EIB that corporate clients are contractually required to create and publish a credible Paris alignment strategy (decarbonisation plan), which should include mid-term, rolling and quantitative emission reduction targets and options over a longer time frame in order to achieve climate neutrality by 2050 at the latest;

reiterates its call for the EIB to work only with clients and financial intermediaries that have a credible decarbonisation plan, including short-term targets that are compatible with the 1.5-degree pathway and that will be put in place as soon as possible and by 2025 at the latest; calls on the EIB to systematically evaluate the credibility of decarbonisation plans, applying decarbonisation criteria compatible with the 1.5-degree target, before signing any new financial commitments; stresses that these new requirements must not prevent SMEs from accessing finance; underlines that rapid large-scale investment is needed for the EU to transition to a carbon-neutral economy; welcomes, in this context, the EIB's support for RePowerEU; takes note, however, of the exemptions granted under the PATH framework allowing the EIB to work with companies still involved in activities deemed incompatible with the Paris Agreement; expects the exemptions granted under the PATH framework in support of REPowerEU to be exceptional, temporary and fully justified;

15. Expects to see enhanced public reporting on efforts and initiatives to mainstream nature in analyses and operations, as well as specific reporting on nature-positive investments, in line with the commitments made by the EIB; expects the new forestry lending paper to ensure that EIB lending promotes sustainable forest management, encourages the sustainable use of wood-based materials, fosters the wider bio-economy and guarantees that it does not directly or indirectly contribute to deforestation or afforestation;
16. Expects the EIB to continue to apply stringent animal welfare standards to the projects it finances and calls for the projects financed to comply fully with EU animal welfare legislation, including on harmful breeding activities, taking the highest standard set by multilateral financial institutions as a basis;
17. Takes note of the decision not to finance the extraction of mineral deposits from the deep sea, as reflected in the EIB's updated list of excluded activities; calls on the EIB to support projects that comply with the highest ecological and animal welfare standards, including ensuring sustainable feed in fish farming;
18. Stresses the key role played by the EIB in ensuring a just transition; invites the EIB to support projects delivering affordable access to renewable energy, housing and public services, community-led initiatives, and small projects with a particular focus on fighting energy poverty; calls on the EIB to lower the minimum loan amount for individual projects or loan schemes; encourages the EIB to cooperate with national and regional financial institutions to deliver targeted financing; calls on the EIB to contribute to achieving the EU's objectives on equality between women and men;
19. Highlights that the security of supply of critical raw materials (CRMs) is crucial both for the green and digital transitions and the EU's industrial base in general; emphasises the need for a circular economy approach to CRMs, based on recycling and reuse, in order to reduce the EU's dependence on third countries; recalls the role played by the EIB in the EU Raw Material Alliance and the Union's aim of becoming more autonomous as regards the CRM supply; calls on the EIB to invest more in the CRM sector to enhance resilience in raw materials and calls, in particular, on the EIB to support CRM-related projects that aim first and foremost at avoiding any new mining processes and recycling secondary raw material, and to foster circular economy solutions, particularly research and development for alternative materials, including

bio-based materials;

20. Expects the EIB to play a major role in the EU Chips Act strategy; notes that EUR 600 million has already been lent to STMicroelectronics to enhance chip research and development in three different Member States; invites the EIB to fund projects that contribute to building a sustainable chip supply chain and to recycling the critical material necessary for chip production; underlines that the EIB should prioritise investment in infrastructure for the chips that have demand outlets in the EU and where the EU has unique expertise enabling it to remain the leader in this market segment;
21. Notes that EIB Global has signed EUR 10.8 billion in new financing; recalls that EIB operations outside of the EU are based on the general principles guiding EU external action as set forth in Article 21 of the Treaty on European Union, such as supporting democracy and the rule of law, human rights and fundamental freedoms; welcomes the EIB's support for and participation in the EU's Global Gateway initiative through a Global Gateway Fund that is intended to provide equity and debt financing for high-impact infrastructure, clean energy and human development projects around the world; points out that EIB Global activities should remain aligned with EU strategic interests and external policy objectives and should ensure that investments clearly benefit recipient countries and societies, creating local jobs and alleviating poverty; believes that recipient country stakeholders, such as public authorities, civil society representatives and private-sector companies, should be involved in deciding on and implementing Global Gateway projects; asks the EIB to ensure a coordinated approach with other stakeholders contributing to the European financial architecture for development in order to deliver a stronger development impact; recalls, furthermore, that the successful implementation of EIB Global requires adequate numbers of in-house staff on the ground, including local staff;
22. Is of the opinion that EIB Global should also be accountable for compliance with the principles set out in the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action (ownership, alignment, harmonisation, managing for results and mutual accountability); maintains that these principles should guide the EIB's operations as a public bank tasked with a development mandate; calls on EIB Global to devise a strategy centred on clear development added value and a sustainable development agenda that includes solid human rights and environmental standards, and to include civil society organisations in that process; calls on the EIB to address the global consequences of Russia's aggression against Ukraine in this context, with a particular focus on the food supply chain and sustainable access to food across the globe; calls on the EIB to encourage Member States to invite their respective development ministries to take part in EIB Global's Board Advisory Group; reiterates its call for EIB Global to limit blending operations to areas where they can add value to the local economy and to ensure that blended finance is not used for essential public services, particularly health, education and social protection, as monetisation could exacerbate existing inequalities and jeopardise universal access to these services; expects the EIB to pay particular attention to ensuring that the supply chains for its operations are free from forced labour; calls on EIB Global to increase its support for projects with limited bankability and high public returns and to lower the minimum loan amount for individual projects, particularly in less developed countries;

23. Notes that over the last few years, the majority of cases dealt with by the EIB complaints mechanism have related to projects outside of the EU; reiterates its call on the EIB to ensure that the complaints mechanism is accessible, effective and independent in order to detect and redress violations of EIB rules, such as bribery, misuse of funds and human rights violations in EIB-related projects; calls on the EIB to strengthen its internal mechanisms for fighting fraud and corruption, improve transparency and control over intermediated operations and ensure that it follows up promptly;
24. Reminds the EIB of the importance of integrating human rights into its due diligence procedures, conducting human rights impact assessments, anchoring its general human rights commitment in a responsibility to respect human rights and operating in full compliance with Article 2 of the Treaty on the Functioning of the European Union; takes note of the recent EIB information note summarising the EIB's approach to human rights, while calling on the EIB to clarify when it steps in to resolve an issue, including through external consultations, to disengage from a project or to recover loans or investments; calls for clear and binding rules to complement the information note, in particular on assessment and disengagement, given Parliament's repeated calls for such rules; expresses particular concern that since 2015, the EIB has not required project promoters to carry out any standalone human rights impact assessments, whereas these should complement the environmental and social impact assessments; reiterates, moreover, its call on EIB Global to ensure inclusive and meaningful consultation and engagement with the communities impacted by its projects prior to their approval and throughout project implementation; underlines that specific measures should be taken to include indigenous peoples, women, persons with disabilities and other vulnerable groups in consultations;
25. Recalls that EIB funds are public money and should always be subject to public scrutiny and accountability; calls for more accountability towards the EU institutions, in particular towards Parliament, as transparency is one of the cornerstones of democracy; believes that Members of the European Parliament should be allowed to submit questions for written answer to the EIB, as is already the case for the European Central Bank; reiterates its request for an interinstitutional agreement between Parliament and the EIB in order to improve access to EIB documents and data;
26. Is concerned that the EIB is falling behind other public financial institutions in terms of transparency and ensuring that no harm is done by its intermediated investments, rating only 'fair' on the 2022 Aid Transparency Index¹; recalls that in 2021, EIB adopted a new transparency policy that runs counter to the presumption of disclosure and is not aligned with applicable exceptions listed in Regulation (EC) No 1049/2001² and Regulation (EC) No 1367/2006³; urges the EIB to take immediate action on the areas for improvement identified in the European Ombudsman's recommendations of

¹ Publish What You Fund, *2022 Aid Transparency Index*, 2022.

² Regulation (EC) No 1049/2001 of the European Parliament and of the Council of 30 May 2001 regarding public access to European Parliament, Council and Commission documents, OJ L 145, 31.5.2001, p. 43.

³ Regulation (EC) No 1367/2006 of the European Parliament and of the Council of 6 September 2006 on the application of the provisions of the Aarhus Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters to Community institutions and bodies, OJ L 264, 25.9.2006, p. 13.

21 April 2022 regarding the need for the EIB to adopt a more ambitious approach to its disclosure practice, to act in line with EU transparency laws and to be more transparent with regard to the potential environmental impact of the projects it finances, in particular by providing more information about any financial intermediary sub-projects that have a significant impact on the environment;

27. Calls on the EIB to commit to strengthening its policy against tax fraud, tax evasion and tax avoidance, including by refraining from funding beneficiaries or financial intermediaries and cooperating with financial partners where these beneficiaries, intermediaries or partners have with a proven negative track record; calls on the EIB to enforce prevention measures and regular tax assessments against non-cooperative tax jurisdictions, tax and fiscal fraud, tax evasion and illegal and aggressive tax avoidance;
28. Expresses concern about health and safety at work at the EIB and calls on the EIB to take all the necessary measures to significantly improve the situation in consultation with employee representatives; calls, furthermore, on the EIB to actively promote balanced gender representation in its managerial and senior positions; calls on the EIB to further enhance the promotion of all forms of diversity and inclusion within its organisation and to set ambitious targets in this area.

INFORMATION ON ADOPTION IN COMMITTEE ASKED FOR OPINION

Date adopted	26.4.2023
Result of final vote	<div style="display: flex; justify-content: space-between;"> +: 30 </div> <div style="display: flex; justify-content: space-between;"> –: 2 </div> <div style="display: flex; justify-content: space-between;"> 0: 2 </div>
Members present for the final vote	Rasmus Andresen, Pietro Bartolo, Olivier Chastel, Katalin Cseh, Andor Deli, Pascal Durand, José Manuel Fernandes, Eider Gardiazabal Rubial, Matteo Gazzini, Alexandra Geese, Vlad Gheorghe, Valérie Hayer, Eero Heinäluoma, Niclas Herbst, Monika Hohlmeier, Adam Jarubas, Moritz Körner, Joachim Kuhs, Zbigniew Kuźmiuk, Pierre Larrousurou, Janusz Lewandowski, Margarida Marques, Andrey Novakov, Dimitrios Papadimoulis, Karlo Ressler, Bogdan Rzońca, Eleni Stavrou, Nicolae Ștefănuță, Nils Torvalds, Rainer Wieland, Angelika Winzig
Substitutes present for the final vote	Jan Olbrycht
Substitutes under Rule 209(7) present for the final vote	João Albuquerque, Maria Veronica Rossi

FINAL VOTE BY ROLL CALL IN COMMITTEE ASKED FOR OPINION

30	+
ECR	Zbigniew Kuźmiuk, Bogdan Rzońca
PPE	José Manuel Fernandes, Niclas Herbst, Monika Hohlmeier, Adam Jarubas, Janusz Lewandowski, Andrey Novakov, Jan Olbrycht, Karlo Ressler, Eleni Stavrou, Rainer Wieland, Angelika Winzig
Renew	Olivier Chastel, Katalin Cseh, Vlad Gheorghe, Valérie Hayer, Moritz Körner, Nils Torvalds
S&D	João Albuquerque, Pietro Bartolo, Pascal Durand, Eider Gardiazabal Rubial, Eero Heinäluoma, Pierre Larrousurou, Margarida Marques
The Left	Dimitrios Papadimoulis
Verts/ALE	Rasmus Andresen, Alexandra Geese, Nicolae Ștefănuță

2	-
ID	Joachim Kuhs
NI	Andor Deli

2	0
ID	Matteo Gazzini, Maria Veronica Rossi

Key to symbols:

+ : in favour

- : against

0 : abstention

INFORMATION ON ADOPTION IN COMMITTEE RESPONSIBLE

Date adopted	25.5.2023
Result of final vote	+: 38 -: 2 0: 10
Members present for the final vote	Gunnar Beck, Marek Belka, Isabel Benjumea Benjumea, Stefan Berger, Gilles Boyer, Markus Ferber, José Manuel García-Margallo y Marfil, Enikő Győri, Eero Heinäluoma, Michiel Hoogeveen, Stasys Jakeliūnas, France Jamet, Ondřej Kovařík, Georgios Kyrtos, Aušra Maldeikienė, Pedro Marques, Denis Nesci, Piernicola Pedicini, Lídia Pereira, Kira Marie Peter-Hansen, Eva Maria Poptcheva, Evelyn Regner, Antonio Maria Rinaldi, Dorien Rookmaker, Alfred Sant, Joachim Schuster, Pedro Silva Pereira, Paul Tang, Irene Tinagli, Inese Vaidere, Johan Van Overtveldt, Stéphanie Yon-Courtin, Marco Zanni
Substitutes present for the final vote	Niels Fuglsang, Margarida Marques, Eva Maydell, Andželika Anna Możdżanowska, Clara Ponsatí Obiols, René Repasi, Eleni Stavrou
Substitutes under Rule 209(7) present for the final vote	Barry Andrews, Deirdre Clune, Rosa D'Amato, Christian Doleschal, Jarosław Duda, Charles Goerens, Christophe Grudler, Katrin Langensiepen, Ville Niinistö, Vera Tax

FINAL VOTE BY ROLL CALL IN COMMITTEE RESPONSIBLE

38	+
ECR	Johan Van Overtveldt
NI	Clara Ponsatí Obiols
PPE	Isabel Benjumea Benjumea, Stefan Berger, Deirdre Clune, Christian Doleschal, Jarosław Duda, Markus Ferber, José Manuel García-Margallo y Marfil, Aušra Maldeikienė, Eva Maydell, Lídia Pereira, Eleni Stavrou, Inese Vaidere
Renew	Barry Andrews, Gilles Boyer, Charles Goerens, Christophe Grudler, Ondřej Kovařík, Georgios Kyrtos, Eva Maria Poptcheva, Stéphanie Yon-Courtin
S&D	Marek Belka, Niels Fuglsang, Eero Heinäluoma, Margarida Marques, Pedro Marques, Alfred Sant, Pedro Silva Pereira, Paul Tang, Vera Tax, Irene Tinagli
Verts/ALE	Rosa D'Amato, Stasys Jakeliūnas, Katrin Langensiepen, Ville Niinistö, Piernicola Pedicini, Kira Marie Peter-Hansen

2	-
ID	Gunnar Beck, France Jamet

10	0
ECR	Michiel Hoogeveen, Andżelika Anna Możdżanowska, Denis Nesci, Dorien Rookmaker
ID	Antonio Maria Rinaldi, Marco Zanni
NI	Enikő Győri
S&D	Evelyn Regner, René Repasi, Joachim Schuster

Key to symbols:

+ : in favour

- : against

0 : abstention