DRAFT REPORT

on the financial activities of the European Investment Bank – annual report 2021
(2021/2203(INI))

Committee on Budgets

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on the financial activities of the European Investment Bank – annual report 2021 (2021/2203(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 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 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 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 EIB Operations Evaluation Activity Report 2020 and Work Programme 2021-2023, published on 3 June 2021,

– having regard to the EIB publication of 14 June 2021 entitled ‘A partnership with Africa: How the European Investment Bank delivers on EU policies in Africa and our future plans for development and partnership across the continent‘,

– having regard to the EIB Group Charter for Internal Audit, published on 29 July 2021,

– having regard to the EIB Group anti-fraud policy, published on 5 August 2021 and its EIB Fraud Investigations Activity Report 2020, published on 29 July 2021,

– having regard to the EIB Group Risk Management Disclosure Report 2020, published on 9 August 2021,

– having regard to the EIB Group evaluation policy, published on 19 August 2021,

– having regard to the EIB Cohesion Orientation 2021-2027, published on 13 October
– 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 Group transparency policy, published on 18 November 2021, and to its whistleblowing policy, published on 24 November 2021,

– having regard to the EIB Investment Survey 2021 – European Union overview, published on 2 December 2021,

– having regard to the EIB Group Corporate Governance Report 2020, published on 9 December 2021,

– having regard to the EIB Impact Report 2020: Climate action, environmental sustainability and innovation for decarbonisation, published on 20 December 2021, to its report entitled The path to a better planet: Adapting to climate change and aligning with the Paris Agreement, published on 28 October 2021, and the EIB Climate Adaptation Plan: Supporting the EU adaptation strategy to build resilience to climate change, published on 26 October 2021,

– having regard to the EIB Group PATH Framework – Supporting the counterparties on their pathways to align with the Paris Agreement (Paris Alignment for Counterparties), published on 26 October 2021,

– having regard to the EIB Investment Report 2021/2022 – Key Findings: Recovery as a springboard for change, published on 12 January 2022,


– having regard to the EIB Group Environmental and Social Sustainability Framework, adopted on 2 February 2022,


– 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 thereon¹,

– 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)

¹ OJ C 270, 7.7.2021, p. 2.
and ‘A Farm to Fork Strategy for a fair, healthy and environmentally-friendly food system’ (COM(2020)0381),


– having regard to Regulation (EU) 2021/523 of the European Parliament and of the Council of 24 March 2021 establishing the InvestEU Programme²,


– having regard to the UN Sustainable Development Goals (SDGs),

– 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 Rule 54 of its Rules of Procedure,

– having regard to the report of the Committee on Budgets (A9-0000/2022),

A. whereas the EIB signed loans for EUR 95 billion in 2021;

**General remarks**

1. Takes note of the Investment Report 2021/2022; welcomes the focus on the EU’s long-term challenges of climate change, social cohesion and digital transformation;

2. Calls for an increase in the EIB’s capitalisation to enable more long-term loans and innovative instruments to finance projects with great potential for sustainability, social and innovation gains;

3. Welcomes the new Cohesion Orientation, which commits to increasing EIB lending activities to 45 % of total EU-27 lending in cohesion regions by 2025 and to 23 % in

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least developed regions;

4. Applauds the timeliness of the European Guarantee Fund to help mitigate the negative social and economic impacts of the COVID-19 pandemic;

5. Takes note of the new Environmental and Social Sustainability Framework (ESSF); calls for its swift implementation;

**Climate bank**

6. Welcomes the fact that 43% of lending in 2021 was climate and environment related and applauds the intention to meet the climate lending target in 2022; stresses that the Climate Bank Roadmap (CBR) alone is not enough to ensure alignment with the objective of the Paris Agreement of limiting global warming to 1.5°C; calls for an immediate halt to carbon markets and offsetting and for all action plans for the implementation of the CBR to be made public;

7. Looks forward to the CBR’s mid-term review; calls for it to include a solid assessment of less carbon-intensive alternatives and ‘Scope 3’ emissions for each project; expects detailed annual progress reports on the CBR, including the degree to which it is aligned with the Paris Agreement;

8. Welcomes the Paris alignment for Counterparties; reiterates its call for financial intermediaries and not only corporate clients to have decarbonisation plans as soon as possible and by the end of 2025 at the latest; calls for a focus on the credibility of short-term decarbonisation plans; expects the EIB to systematically check and ensure compliance, in particular as regards ESSF implementation;

9. Welcomes the EIB’s climate adaptation plan and the commitment to grow the share of spending on climate action for adaptation to 15% of the overall climate target by 2025;

10. Expresses, in view of the upcoming review of the energy lending policy, its full support for the statement of President Hoyer: ‘We believe that we have a mission to concentrate on sustainability and achieving the Paris goals with the means of a long-term investor institution. [...] Therefore I don’t see a change in our energy lending policy’; calls for the EIB to retain the possibility to apply stricter criteria than the EU taxonomy and finance fossil-free energy only, and in particular to exclude financing for so-called low-carbon gas, especially for district heating, grey or blue hydrogen and forest biomass;

11. Regrets the delays in the transport lending policy review; expects a proposal fully aligned with the 1.5°C target of the Paris Agreement; expects no new loans to be granted that hinder transport decarbonisation or the transition towards zero emission mobility;

**Biodiversity and sustainability**

12. Welcomes the updated ESSF standard 4 and calls for its diligent implementation; welcomes the efforts made to strengthen biodiversity risk assessment and due diligence; is concerned, however, at the use of outdated data; expects the EIB to comply with Articles 11 and 191 TFUE and to stop disbursing funds, and, if necessary, withdraw
them, if there is evidence or a serious risk of adverse impacts;

13. Acknowledges the challenges and progress achieved during the implementation of the Natural Capital Financing Facility; calls for an independent evaluation embedded in a broader assessment of supporting ecosystem and biodiversity restoration;

14. Calls for the EIB to only support sustainable agriculture and natural resource management projects that respect planetary boundaries; calls for a ban on supporting all forms of industrial farming and farming practices that do not comply with animal welfare standards;

**Social responsibility and gender**

15. Welcomes the inclusion of labour rights in ESSF standard 8;

16. Calls on the EIB to collect gender-disaggregated data; urges the EIB to assess the gender impact of projects;

**NDICI – EIB Global**

17. Expresses its support for EIB Global; expects full alignment of investments in non-EU countries with intra-EU lending and EU external action; calls for public consultation on the strategies linked to EIB Global with a particular focus on the role of recipient countries and specific chapters on human rights due diligence;

18. Regrets that the new ESSF includes no significant improvement in human rights protection or procedures to prevent human rights violations; calls for this to be addressed in the statement on human rights; is very concerned that in some cases, the EIB has continued to disburse loans despite clear human rights abuses;

**Transparency and governance**

19. Is very concerned by the decline of transparency at the EIB: in 2010, 96.1% of all projects were published three weeks before Board approval, falling to only 60% in 2020; calls for more transparency and accountability, also towards EU institutions, in particular Parliament;

20. Considers the new transparency policy (TP) a major setback; regrets that the EIB has totally ignored Parliament’s very clear demands to improve its TP in line with other financial institutions’ best practices and standards; calls for the TP to be aligned with that of the European Bank for Reconstruction and Development on mandatory disclosure for intermediaries of projects with high environmental risks;

21. Calls, in this regard, for an ambitious standard for financial intermediaries following stringent tax, transparency, environmental and social standards; calls for the EIB to amend its template for contractual clauses on environmental matters and, accordingly, the contracts with financial intermediaries setting requirements on what environmental information must be collected and published;

22. Takes note of the updated code of conduct; regrets that there is no provision excluding
vice-presidents from overseeing operations in their countries of origin and insists that this be addressed in the next review;

23. Expresses serious concerns at the lack of social dialogue at the EIB, in particular to address concerns about harassment allegations and the working environment; urges the EIB management to engage in genuine dialogue with staff in order to address their concerns;

24. Asks the Commission to publish the rationale for its opinion under the Article 19 procedure;

Zero tolerance against fraud

25. Takes note of the new anti-fraud policy; is concerned about the opaque way in which it was adopted;

26. Expects thorough monitoring that fully takes into account concerns expressed by relevant parties and stakeholders, in particular for human rights and rule of law violations;

27. Is very concerned that, at least once, the EIB disbursed funding despite a very clear EIB Complaints Mechanism report concluding that its environmental and social standards had been breached; calls for any such project to be halted immediately;

28. Welcomes the working arrangement with the European Public Prosecutor’s Office and calls for its full and diligent implementation, in particular as regards reporting;

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