



**2023/2229(INI)**

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# **DRAFT REPORT**

on financial activities of the European Investment Bank - annual report 2023  
(2023/2229(INI))

Committee on Budgets

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## MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

### on financial activities of the European Investment Bank - annual report 2023 (2023/2229(INI))

*The European Parliament,*

- having regard to Articles 2 and 3 of the Treaty on European Union,
- 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 the EIB's press release of 7 October 2016 expressing approval of the ratification of the Paris Agreement by the EU,
- having regard to the EIB Operations Evaluation Activity Report 2022 and Work Programme 2023-2025, published on 3 March 2023,
- having regard to the EIB Group's Complaints Mechanism Procedures, published on 13 November 2018,
- having regard to the EIB publication entitled 'EIB energy lending policy', published on 8 May 2023,
- having regard to the EIB Group's Climate Bank Roadmap 2021-2025, adopted by the EIB Board of Directors on 11 November 2020, and to the EIB 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 EIB Investment Report 2022/2023 entitled 'Resilience and renewal in Europe', published on 28 February 2023,
- having regard to the EIB Group activity report 2022 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 EIB Environment Framework, published on 14 November 2022,
- having regard to the EIB Group Corporate Governance Report 2022, published on 8 September 2023,

- having regard to the EIB publication of 29 November 2023 entitled ‘EIB Global Strategic Roadmap: EU Finance for a Sustainable Future’,
- having regard to EIB Global’s approach to a just transition and just resilience, published on 27 November 2023,
- having regard to the EIB Group Risk Management Disclosure Report 2022, published on 9 August 2023,
- having regard to the 2022-2023 EIB Climate Survey,
- having regard to the EIB Group Environmental and Social Sustainability Framework entitled ‘The EIB Group Environmental and Social Policy’, adopted on 2 February 2022,
- having regard to the EIB publication of 10 February 2023 entitled ‘EIB Global – partnership, people, impact’,
- having regard to the EIB report of 29 June 2023 entitled ‘EIB Group activities in EU cohesion regions 2022’,
- having regard to the code of conduct for EIB Group staff, published on 3 February 2023,
- having regard to the code of conduct of the EIB Group Audit Committee, published on 30 November 2021,
- having regard to the code of conduct of the EIB Group Management Committee, published on 14 October 2021,
- having regard to the EIB publication of 27 November 2023 entitled ‘EIB Group PATH Framework – Version 1.2 November 2023 – Supporting counterparties on their pathways to align with the Paris Agreement’,
- having regard to the EIB’s Solidarity Package for Ukraine, approved by the EIB Board on 4 March 2022,
- having regard to the Commission communication of 20 May 2020 entitled ‘EU Biodiversity Strategy for 2030 – Bringing nature back into our lives’ (COM(2020)0380),
- having regard to the Commission communication of 20 May 2020 entitled ‘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 1 February 2023 entitled ‘A Green Deal Industrial Plan for the Net-Zero Age’ (COM(2023)0062),

- having regard to Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund<sup>1</sup>,
  - having regard 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 Mechanism<sup>2</sup>,
  - having regard to the UN Sustainable Development Goals,
  - having regard to the Tripartite Agreement between the Commission, the European Court of Auditors and the European Investment Bank, which came into force in November 2021,
  - 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 recommendations issued on 20 November 2023 in Case 2252/2022/OAM,
  - having regard to the European Ombudsman’s recommendations issued on 21 April 2022 in Case 1251/2020/PB,
  - having regard to the European Ombudsman’s recommendations issued on 27 July 2022 in the Case 1016/2021/KR,
  - having regard to Rule 54 of its Rules of Procedure,
  - having regard to the report of the Committee on Budgets (A9-0000/2023),
- A. whereas under Article 309 TFEU, the EIB is tasked with contributing to the achievement of the EU’s objectives;
- B. whereas in order to achieve the EU’s climate targets, investments of EUR 1 trillion a year are needed in the EU; whereas the EIB can help bridge the gap by crowding in private capital;
1. Reiterates the important role played by the EIB as the EU public bank owned by Member States with operations guided by EU policy objectives and subject to EU legal standards;
  2. Reiterates its call for a capital increase; expects the EIB to ensure that its financing contributes to addressing market failures and avoids crowding-out effects, without increasing its overall financing costs;
  3. Stresses that the EIB must maintain its AAA credit rating and retain the full confidence of the capital markets in its activities;

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<sup>1</sup> [OJ L 231, 30.6.2021, p. 1.](#)

<sup>2</sup> [OJ L 274, 30.7.2021, p. 1.](#)

4. Calls on the EIB to address systemic shortcomings that prevent certain regions or countries from taking full advantage of its financial activities;
5. Calls on the EIB to expand its role in addressing investment gaps in social infrastructure and welfare, such as social housing, utilities, public transport, sustainable transport and education, while ensuring additionality and complementarity with other public funds and commercial lenders;
6. Stresses the role of the European Investment Fund in improving access to finance for smaller EU companies, mid-caps and start-ups; calls on the EIB to provide additional growth capital to enable small and medium-sized enterprises to scale up their operations;

***EU's climate bank: climate action and environmental sustainability objectives***

7. Calls on the EIB to develop a method of assessing the green funding gap in the EU;
8. Expects the review of the Climate Bank Roadmap in 2024 to bring the EIB fully into line with the 1.5 degree pathway and the target of climate neutrality by 2050 at the latest; believes that the benchmark should be the most ambitious public banking practices; reiterates its call to include a solid assessment of less carbon-intensive alternatives and 'scope 3' emissions for each project;
9. Calls for the full implementation of the Paris Alignment for Counterparties; expects the exemptions granted under the Paris Alignment's framework in support of REPowerEU to be exceptional, temporary and fully justified;
10. Reiterates that corporate clients are contractually required to create and publish credible decarbonisation plans; is concerned that the EIB has signed contracts with corporate clients regardless of whether they have published these plans; expects the EIB to systematically evaluate the credibility of these plans, applying decarbonisation criteria compatible with the 1.5 degree target before signing any new financial commitments;
11. Calls on the EIB to adapt its de-risking 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 and the necessity of improving the risk-reward ratios in smaller-scale green infrastructure projects;
12. Takes note of the upscaled investment in hydrogen; insists that the role of hydrogen is to reduce emissions from hard-to-abate industrial sectors; expects additionality to be ensured so as to avoid diverting resources from existing renewable electricity; is concerned about the significant impacts of hydrogen projects on the water supply in a context of increasing drought, as well as its impact on biodiversity; is concerned about de-risking private investments for large-scale green hydrogen projects, in particular in view of their limited commercial viability;
13. Underlines that the EIB's environmental and social policy strengthens the commitment to promote and implement the objectives of the Convention on Biological Diversity and the post-2020 Global Biodiversity Framework, in particular the requirement that

financed projects cause no significant harm to biodiversity and ecosystems; welcomes the change from 'no net loss' to 'no loss' of biodiversity; insists on the full application of the EIB's environmental and social policy, in particular in renewable energy projects; expects the EIB to fully align its environmental and social policy with the post-2020 Global Biodiversity Framework;

14. Expects the EIB to engage more actively in nature-positive and biodiversity-enhancing investments and in sectors with the greatest biodiversity co-benefits, such as water, sanitation, forestry and the ocean, with the highest level of integrity and assurances and integrating the lessons learned from the Natural Capital Financing Facility;
15. Expects enhanced efforts to mainstream nature in analyses and operations assessing the financial risk of biodiversity loss at counterparty level; expects nature-positive elements to be systematically required for large-scale infrastructure projects, especially for urban investments; warns against projects contributing to climate objectives that do not take into account impacts on biodiversity;
16. Takes note of the ongoing negotiation for debt-for-nature swaps; is concerned about the development and conservation adequacy of these swaps and their high transaction costs, especially since previous examples have shown this; stresses the need for high levels of transparency and country ownership;
17. Expects the EIB to continue to apply stringent animal welfare standards, including for breeding activities and feed in fish farming, based on the highest standard set by multilateral financial institutions;
18. Emphasises the need for a circular economy approach to critical raw materials, based on recycling and reuse, in order to reduce the EU's dependence on third countries;

### ***Ukraine***

19. Welcomes the EU for Ukraine initiative; welcomes the fact that all EIB actions in Ukraine are guided by the priorities for reconstruction and will be fully aligned with the upcoming Ukraine plan; welcomes the technical assistance component to ensure optimal project preparation and implementation, as well as capacity building measures; welcomes the EIB's efforts to prevent, deter and investigate fraud and corruption in relation to its projects in Ukraine;

### ***EIB Global***

20. Expects EIB Global's activities to remain aligned with EU strategic interests and external policy objectives; expects EIB Global to ensure that investments clearly benefit recipient communities, by safeguarding natural heritage, enhancing climate resilience, creating local jobs and alleviating poverty;
21. Takes note of the EIB Global strategic roadmap and the expectation that it will facilitate at least one third of the EUR 300 billion in investments set out to be generated by the end of 2027; expresses concern over the lack of inclusive and meaningful consultations with stakeholders who are impacted by its operations; calls for more support for projects with limited bankability and high public returns; 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;

22. Is of the opinion that EIB Global should be accountable for compliance with the principles set out in the Paris Declaration on Aid Effectiveness and the Accra agenda for action; is particularly concerned, in this context, about a conflict of interest between export credit agencies and EIB Global development finance and about the impact on the development additionality of EIB Global's affected investments;
23. Reiterates its call for clear and binding rules to complement the information note summarising EIB Global's approach to human rights, in particular on assessment and disengagement; expresses particular concern that, since 2015, the EIB has not required project promoters to carry out any standalone human rights impact assessments;

### *Transparency and governance*

24. Is concerned that the EIB is falling behind other public financial institutions in terms of transparency and in ensuring that no harm is done by its intermediated investments, as it rated only 'fair' on the 2023 Foreign Direct Investment Transparency Index; recalls that the EIB's transparency policy runs counter to the presumption of disclosure and is not aligned with the applicable exceptions listed in Regulation (EC) No 1049/2001<sup>3</sup> and Regulation (EC) No 1367/2006<sup>4</sup>; urges the EIB to implement the European Ombudsman's recommendations of 20 November 2023 from Case 2252/2022/OAM and of 21 April 2022 from Case 1251/2020/PB to allow for a meaningful assessment of the environmental and social aspects of projects it is considering for funding;
25. Reiterates its concern that EIB Vice-Presidents are often involved in project proposals from their home countries; invites the EIB to fully implement all recommendations received from the European Ombudsman in Case 1016/2021/KR;

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

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<sup>3</sup> [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 \(OJ L 145, 31.5.2001, p. 43\).](#)

<sup>4</sup> [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 \(OJ L 264, 25.9.2006, p. 13\).](#)

## EXPLANATORY STATEMENT

The annual report for the year 2023 (alternating with ECON) on the financial activities of the European Investment Bank touches upon EIB's performance and delivery by the EIB Group on its treaty-bound obligations to foster and contribute to EU integration and key horizontal EU policies.

*The report focuses on evaluation of main EIB funding activities with special emphasis on development of the EU Climate Bank, on crisis response to the war in Ukraine, activity of the EIB Global and delivery on key policy areas.. The report also touches upon EIB's governance, transparency and accountability, firmly scrutinising issues related to conflict of interest and recommendations of the Ombudsman.*

The European Investment Bank has been striving to transition into the EU Climate Bank, committing to stepping up its climate financing. For the year 2022 however, the EIB achieved a total level of green financing at EUR 36.5bn, which represented 58 % of total financing volumes, which exceeded the original target of 50 % green financing expected by 2025. While the EIB Group has not yet announced the results and numbers for 2023, it is expected that the Bank has stayed on track from the previous year. The report makes several policy recommendations to the lending policies that need to be made and/or implemented in order to truly be the EU Climate Bank as well as input for the Climate Roadmap review and to enhance investment contribution to halting or reversing biodiversity loss and nature protection.

EIB Global plays a key role in the EIB's expansion outside of the EU and thus its contribution to the execution of the EU's foreign and development policies goals and is fully aligned with the EU's climate and environmental policies.