



TEXTS ADOPTED

P9_TA(2020)0191

Control of the financial activities of the European Investment Bank - annual report 2018

European Parliament resolution of 10 July 2020 on control of the financial activities of the European Investment Bank - annual report 2018 (2019/2127(INI))

The European Parliament,

- having regard to the 2018 Activity Report of the European Investment Bank (EIB),
- having regard to the 2018 Financial Report and the 2018 Statistical Report of the EIB,
- having regard to the 2018 Sustainability Report, the 2018 Annual Report on the EIB outside the European Union and the 2018 Report on the EIB operations inside the EU,
- having regard to the Audit Committee annual reports for the year 2018,
- having regard to the Report on the implementation of the EIB's Transparency Policy in 2018 and the Corporate Governance Report 2018,
- having regard to Fraud investigations activity 2018,
- having regard to the European Ombudsman 'Decision in case 1316/2016/TN on alleged shortcomings in the European Investment Bank's Transparency Policy'¹,
- having regard to the Review of the Complaints Mechanism (CM) arising from the European Ombudsman 'Decision in case 1316/2016/TN on alleged shortcomings in the European Investment Bank's Transparency Policy',
- having regard to the EIB Office of the Chief Compliance Officer Activity Report 2018 and EIB Group Anti-Fraud Activity Report 2018,
- having regard to the EIB Group Operational Plan 2017-2019,
- having regard to Articles 3 and 9 of the Treaty on European Union (TEU),

¹ <https://www.ombudsman.europa.eu/en/decision/en/95520>

- having regard to Articles 15, 126, 174, 175, 208, 209, 271, 308 and 309 of the Treaty on the Functioning of the European Union (TFEU), to Protocol No 5 thereto on the Statute of the EIB and to Protocol No 28 thereto on economic, social and territorial cohesion,
- having regard to the Rules of Procedure of the European Investment Bank,
- having regard to its resolutions of 3 May 2018 on the control of the financial activities of the EIB for 2016 – Annual Report 2016¹, of 17 January 2019 on the control of financial activities of the EIB for 2017 - Annual Report 2017²,
- having regard to Regulation (EU) 2015/1017 of the European Parliament and of the Council of 25 June 2015 on the European Fund for Strategic Investments, the European Investment Advisory Hub and the European Investment Project Portal and amending Regulations (EU) No 1291/2013 and (EU) No 1316/2013 – the European Fund for Strategic Investments³,
- having regard to the Commission staff working document of 14 September 2016 on the extension of the duration of the European Fund for Strategic Investments (EFSI) as well as the introduction of technical enhancements for that Fund and the European Investment Advisory Hub (COM(2016)0597, SWD(2016)0297 and SWD(2016)0298),
- having regard to the to the Court of Auditors special report on European Fund for Strategic Investment (EFSI) of January 2019, No 03/2019⁴,
- having regard to the Commission report of 28 May 2019 on the management of the guarantee fund of the European Fund for Strategic Investments (EFSI) in 2018 (COM(2019)0244),
- having regard to the EIB's operations evaluation report on the evaluation of EFSI of June 2018,
- having regard to the 2019 Commission's evaluation of the External Lending Mandate⁵,
- having regard to the report "Europe in the World - The future of the European financial architecture for development"⁶ prepared by High-Level Group of Wise Persons on the European financial architecture for development,

¹ OJ C 41, 6.2.2020, p. 18.

² Texts adopted, P8_TA(2019)0036.

³ OJ L 169, 1.7.2015, p. 1.

⁴ <https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=49051>

⁵ Evaluation of Decision No 466/2014/EU of the European Parliament and of the Council of 16 April 2014 granting an EU guarantee to the European Investment Bank against losses under financing operations supporting investment projects outside the Union;

https://ec.europa.eu/info/sites/info/files/economy-finance/elm_evaluation_swd_2019_333_f1_staff_working_paper_en_v3_p1_1048237.pdf

⁶ https://www.consilium.europa.eu/media/40967/efad-report_final.pdf

- having regard to the Counter balance’s Report “is the EIB up to the task in tackling fraud and corruption?” from October 2019¹,
 - having regard to the Tripartite Agreement of September 2016 between the European Commission, the European Court of Auditors and the European Investment Bank,
 - having regard to Rule 54 of its Rules of Procedure,
 - having regard to the report of the Committee on Budgetary Control (A9-0118/2020),
- A. whereas the EIB is treaty-bound to contribute to EU integration, economic and social cohesion and regional development through dedicated investment instruments such as loans, equities, guarantees, risk-sharing facilities and advisory services;
 - B. Whereas the primary objective of the EIB is to contribute to the balanced and steady development of the internal market in the interest of the Union, according to Article 309 TFEU;
 - C. whereas the EIB, as the biggest public lender in the world, operates in the international capital markets, offering competitive terms to clients and favourable conditions to support EU policies and projects;
 - D. whereas the EIB turned 60 in 2018 while facing multiple new challenges ahead both inside or outside the Union;
 - E. whereas the EU has faced the last ten years a crisis of massive under investment while facing an urgent investment demand to cope with the required green and digital transformation of the economy; whereas investment rates (i.e. investment as a share of GDP) lag behind their pre-crisis levels;
 - F. whereas the EIB adopted new climate commitments in November 2019 as well as new Energy Lending Policy;
 - G. whereas the EIB plays a key role in international financial markets particularly through its leading role in green bonds issuance;
 - H. whereas the EIB is expected to play a key role in financing the European Green Deal through the Sustainable European Investment Plan;
 - I. whereas public policy goals such as social cohesion, sustainable development and environmental goal should be at the core focus and targets of the Bank;
 - J. whereas the EIB should integrate European values, on top of which are human rights, in its investment strategies;
 - K. whereas the EIB is considering plans to become the ‘EU Development Bank’ and the Council already asked the EIB and the EBRD to present these plans for future discussions;

¹ https://www.counter-balance.org/wp-content/uploads/2019/10/Report_OnlineVersion_EIB_Corruption_Oct2019.pdf

- L. whereas the EIB's financing of operations outside the EU primarily supports the EU's external policy objectives, while expanding the Union's visibility and values and contributing to maintaining the stability of third countries;
- M. whereas safeguards against fraud, including tax fraud and money laundering, and against the financing of terrorism risks and corruption have to be duly included in EIB's due diligence and contractual conditions;
- N. whereas continuous attention should be focused on the development of best practices related to the EIB's performance policy and management, as well as good governance and transparency;

2018 main track records of EIB funding activities

1. Notes that the EIB Group provided more than EUR 64,19 billion of financing in 2018 and that 854 projects were signed;
2. Observes that the EIB's main volumes of investment are as follows:
 - EUR 13,5 billion of loans to innovation projects in 2018;
 - 32 % of the EIB financing was dedicated to cohesion and conversion regions which exceed the planned target of 30 %;
 - the funding schemes to SMEs and midcaps represent the main priority area with over EUR 23,3 billion;
 - EUR 15,2 billion were invested in Environment;
 - EUR 12,3 billion in Infrastructure;
 - the climate change lending was close to 30 % of the EIB portfolio in 2018 i.e. 28 % of total signatures surpassing the target of 25 % in support of the Paris climate accord;
 - over than EUR 8 billion were invested outside Europe representing 12,5 % of the EIB total financing;
3. Notes the EIB's two over-arching policy goals related to EU social and economic cohesion and to climate action plus the four primary public policy goals of innovation, SMEs and Mid-cap financing, infrastructure and environment; stresses that these primary public policy goals should be fully aligned with the recent update of the EU's policy priorities to reflect new economic trends and the transition towards a sustainable economic model that respects planetary boundaries, social fairness and the idea of shared prosperity;
4. Takes note of the 2018 geographical breakdown of signed finance contracts; calls on the EIB to also report on signed finance contracts by country per capita and in relation to the country's share in the EIB; calls for a balanced geographical distribution of investments to take into account the level of development and cohesion aspects of the countries and regions; takes note of the 2018 geographical breakdown of signed finance contracts as a share of GDP with the main five beneficiary Member states being Greece 1,01 % (EUR 1,87 billion), Cyprus 1,01 % (EUR 0,21 billion), Portugal 0,98 % (EUR 1,98

billion), Croatia 0,98 % (EUR 0,51 billion) and Poland 0,97 % (EUR 4,79 billion); notes that the five largest beneficiary member states in absolute numbers received 52,9 % of signed financial investments;

5. Takes note that Council agreed to sustain the bank's capital base by replacing the UK contribution to the EIB's paid-in capital by the Bank's reserves and callable capital by proportional increases of contingent liabilities; takes note that Council agreed to an asymmetric capital increase leading to increases of the capital shares of Poland and Romania; calls on the EIB shareholders to further increase the EIB's capitalisation to allow for increased investment and more risk-taking to finance the necessary projects to support the sustainable and digital transformation of the economy and contribute to social and territorial cohesion, job creation, innovation and competitiveness in the EU while preserving the EIB's triple A rating;
6. Notes the a rate of impaired loans of 0,3 % at the end of 2018 (0,3 % at the end of 2017) of the total loan portfolio despite the Bank's recent move towards higher risk lending operations;

Main Priorities of the EIB's investment policy and sustainability of its business model

7. Notes that the EIB's mission is to invest in viable projects that deliver on the EU's policy objectives according to Article 309 TFEU including projects for developing less-developed regions; stresses that prioritisation within the EIB's lending activities should rest on sustainable projects with clear deliverables, added value and broader positive impacts;
8. Calls on the EIB to take account of all risks to the environment posed by large-scale infrastructure projects, and to finance only projects with proven added value both for the local population as well as in environmental, social and economic terms; stresses the importance of both rigorous monitoring of possible risks of corruption and fraud in this context and conducting meticulous ex-ante and ex-post evaluations of the projects to be financed;
9. Emphasises that there is a political momentum around turning an ever growing share of EIB's funding for climate and environmental sustainability or so called 'European climate bank'; calls on this opportunity to be seized by civil society, Commission, Parliament and shareholders of the bank and to align the EIB's operations with the Paris Agreement in 2020; stresses that under the new developments, the EIB has to continue to support the regional development and EU social and economic cohesion objectives as provided in Protocol 28 to the TFEU;
10. Calls on the EIB to focus on smaller, decentralised projects that are often community-owned and further develop the support to the citizens-led initiatives by strengthening technical assistance and financial expertise before project approval, in order to improve accessibility of EIB funding and the quality and sustainability of its operations; calls on in this regard for an adequate funding of advisory services in the next Multiannual Financial Framework;
11. Calls on the EIB to take into account local stakeholders including civil society on the impact of investments on the local environment;

12. Welcomes the revision of the EIB's environmental and social framework later this year; calls on the EIB to ensure that the “Do-No-Harm Principle” is applied throughout all of its operations; calls on the EIB to commit to ending the financing of all projects that are not in line with the Paris Agreement and the EU's climate goals;
13. Supports thus the disclosure of clear information on how the EIB strategy is implemented and on the sustainability or climate impact of its products and portfolios;
14. Welcomes EIB reports on the mid and long-term economic, social and environmental impacts when defining the rationale of its investment; welcomes that this reporting covers both the planning (ex ante) and the implementation phase of the project; is of the opinion that it should include reports on the results achieved based on its investment especially within the EU;
15. Believes that there is need for effort in the development of a climate neutral economy on a national level and that the EIB should take a leading role in that matter; calls on the EIB to support national investment- and export-import banks in adopting environmental principles and measures similar to those of the EIB and committing to only financing projects that align with the Paris Agreement and the EU's climate goals;

The EIB's role in financing the European Green Deal

16. Considers that the EIB plays an important role in facing climate challenges, such as the global warming and decarbonisation of the EU economy; notes that the EIB should follow objectives set by the Green Deal;
17. Notes that the total climate investment in 2018 amounted to EUR 16,2 billion with the main volumes of investments being Low carbon energy (EUR 6 billion), renewable energy (EUR 4,1 billion) and energy efficiency (EUR 2,7 billion); notes that, in 2018, 29 % of the EIB's lending was climate related;
18. Welcomes the issuing in 2018 of EUR 4 billion of climate awareness bonds as well as issuing of EUR 500 million of sustainability awareness bonds; stresses the need for an EU Green Bond Standard to ensure transparency and tracking of proceeds;
19. Recalls the commitments taken by the EIB President during the UN Climate Summit in September 2019, namely to:
 - align all of EIB's financing activities with the goals of the Paris Agreement by the end of 2020;
 - provide at least 50 % of the EIB finances for climate and environmental sustainability by 2025;
 - unlock EUR 1 trillion of climate and environmental investment until 2030;
20. Stresses that the EIB's ambition to be a key financial pillar in the Green Deal means the bank needs to step up its efforts to become a “Climate Bank”; calls on the EIB to draw up a roadmap with specific, measurable, attainable, realistic and time-defined targets with regards to implementation of the Paris Agreement; calls for these targets to take into consideration the potential risk of increase in the differences between EU regions and Member States; underlines the EIB's activities in support of economic and social

cohesion; underlines the necessity of EIB's activities to align the support of economic and social cohesion with the climate targets;

21. Calls for ambitious commitments to be enshrined in concrete policies; the EIB needs to make its commitments an essential part of its Corporate Operational Plan and of its Climate Strategy, as well as its sectoral lending strategies and safeguard policies;
22. Stresses that it is of utmost importance that all EIB investments and sectoral portfolios are aligned with the Paris Agreement;
23. Notes that the EIB in 2018 approved financing for large gas infrastructure projects including gas pipelines to the EU from Turkmenistan and Azerbaijan (Trans Anatolia Natural Gas Pipeline) and from Greece to Italy via Albania and the Adriatic Sea (Trans-Adriatic Pipeline); notes that these investments were included in the 4th list of Projects of Common Interest co-financed from the EU budget; calls on the EIB to explain how these projects will be aligned with the goals of the Paris Agreement by the end of 2020; emphasises the need to recognise the role of gas both as an important bridge technology and in terms of its contribution to the transition towards climate neutrality;
24. Considers the new EIB Energy Lending Policy a major improvement, in particular the decision to stop lending to fossil-fuel energy projects by the end of 2021 and the example it sets for other banks; stresses the need to ensure that the use of energy sources such as natural gas and their subsequent financing should be in line with achieving climate neutrality by 2050 at the latest; notes that the Energy Lending Policy will be reviewed at the start of 2022 and calls for this review to bring the policy in line with the European Sustainable Finance Taxonomy;
25. Welcomes the future focus of the EIB on Just Transition, expects the EIB to contribute to the Just Transition Mechanism, especially under its future Public Sector Loan Facility and its operations under InvestEU;
26. Notes that the share of financing provided to roads, motorways, and air transport in 2018 was higher than the 2014-2018 average whereas the financing to railways in 2018 was lower than the 2014-2018 average; notes that total financing provided to air transport in 2018 amounts to EUR 725 million; looks forward to the EIB's review of its Transport Lending Policy; calls for a new transport financing policy to decarbonise the EU transport sector by 2050;
27. Calls on the Commission to supplement the framework on sustainable investment with criteria for economic activities with a significant negative environmental impact which could be applied by the EIB; acknowledges the EIB efforts to contribute to sustainable development goals;
28. Calls for new policies to be implemented in carbon-intensive industrial sectors in which the EIB is active, such as cement petrochemicals and steel, with a view to focusing on the sustainability of these sectors and carefully weighing the consequences of any termination of ongoing contracts, focusing on the promotion of a circular economy;
29. Notes that the climate problem cannot be solved without support of industry, a large scale change can only be achieved if the industry is taken on board and the necessary incentives are given for innovative climate solutions;

30. Welcomes the new EIB carbon footprint evaluation methodology and calls for its systematic implementation, with a particular focus on indirect emissions ('type 3'); calls for projects to be evaluated comprehensively and not merely by means of an economic life-cycle analysis of their emissions;
31. Calls on the EIB to explore possible options to set more stringent requirements for intermediary clients to disclose their exposure to fossil fuels, stresses that such new requirements should not be at the detriment of access to finance for SMEs;
32. Welcomes the EIB's adoption of the exclusion policy and calls for it to be used rigorously to exclude customers implicated in corruption or fraud from funding the EIB;
33. Is of the opinion that, in line with best practices in the commercial banking sector¹, EIB financing should be subject to ambitious scientific objectives and commitments, with a view to phasing out its support to projects whose activities lead to significant GHG emissions;
34. Welcomes the hydropower guidelines adopted in 2018² and calls for the extension of the transparency requirements to all infrastructure projects;
35. Reminds the EIB that biodiversity protection is a key element of adaptation to climate change and that the restoration of ecosystems is the only proven technology when it comes to negative emissions; notes that all EIB projects undergo a biodiversity risk assessment and must comply with the Biodiversity Standards of the Bank and calls to increase its funding to achieve the EU's objectives in this area, in particular the objective of zero net deforestation and the objectives of marine and coastal protection;
36. Notes that the European Investment Fund (EIF) is fully integrated into all EIB climate measures;

EIB's operations outside of the EU

37. Reiterates that poverty eradication, domestic resource mobilisation and human rights are core topics within the EU development finance architecture with an increased visibility of the actions funded; believes that Implementation of the SDGs should be on the focus of the EU in the next years;
38. Notes with appreciation the EIB's rapid adaptation capacity to international challenges; calls on the EIB to continue its support to EU external policies and emergency response such as the Economic resilience initiative as part of the European response to the global migration and refugee challenge;
39. Encourages the EIB, the EBRD, the multilateral development banks and the international financial institutions to continue working towards the best possible operational cooperation for the implementation of projects, this closer cross-banking cooperation

¹ Crédit Agricole has undertaken to end support for undertakings which develop or plan to develop their activities in the coal sector. Crédit Agricole's zero tolerance policy applies to all enterprises which develop or plan to develop their activities in the coal sector, ranging from extraction and energy production, to trade and transport.

² EIB, 'Environmental, Climate and Social Guidelines on Hydropower Development', October 2019.

being indispensable to optimise costs and enhance synergies with more efficient use of resources;

40. Notes that the mid-term review of the External lending mandate in 2018 leads to an increase of its guarantee of EUR 5,3 billion;
41. Recalls the need to align the EIB operations with the objectives of the EU's external policy;
42. Notes that human rights principles are fully integrated into the Bank's key due diligence procedures and standards, including ex-ante assessments; recalls that the EIB is directly bound by the EU Charter of Fundamental Rights and that contractual clauses with clients allow for suspension of contracts in case of violations of human rights; welcomes the revision of the 2009 Statement of Environmental and Social Principles and Standards;
43. Calls on the EIB to take into account the local context when investing in third countries; recalls that investing in third countries should also aim to generate long-term, private sector-led sustainable economic growth, support the fight against climate change and reduce poverty through job creation and improved access to productive resources;
44. Notes that the EIB employs Human Rights specialists but that a better understanding of the local context would benefit from an extension of the EIB's local staff in partner countries; calls on the EIB to make sure human rights considerations are taken into account all through its decision-making process;
45. Notes that at project level the Commission and the EEAS have a role to play as they are consulted on EIB projects under appraisal before these projects are proposed to the EIB Directors for adoption;
46. Asks the EIB to address the findings from the Commission evaluation on its external lending mandate pointing out that "it is difficult for Commission services to gain insight into EIB's performance other than via external stakeholders, given that reporting on actual results is provided only after project completion and there is no obligation for the EIB to signal implementation problems."; finds Commission's conclusion that the "actual results and impacts of the EU intervention remain largely unknown" as highly problematic;
47. Reiterates its interest to be involved and contribute to discussions between the Council and the EIB on the possible establishment of the bank's new EU Development bank subsidiary; calls on the EIB to prioritize the poverty eradication, domestic resource mobilisation and human rights in its plans to set up a subsidiary for its development operations;

EFSI functioning and effectiveness

48. Notes that the key quantitative target of the European Fund for Strategic Investments (EFSI) of mobilising EUR 500 billion of additional private and public investment; notes that measurable targets on sustainability and social impact should be included in future investment strategies;
49. Notes that for implementation of the EFSI, the EIB recruited 358 staff and 75 people for the European Investment Advisory Hub;

50. Recalls that the EFSI has a distinct governance structure than the EIB and its investment operations take place within two thematic areas i.e. the Infrastructure and Innovation Window managed by the EIB and the SME Window managed by the EIF;
51. Reiterates that the underlying rationale of the EFSI, which is supported by the EU budget, unlike other current EIB financing instruments, is to provide additionality by identifying additional and innovative future-oriented sectors and higher risk projects;
52. Highlights the importance of the additionality criteria, which entail the need to support operations that are only eligible for EFSI support when addressing clearly identified market failures or sub-optimal investment situations and operations that could not have been carried out to the same extent or in the same timeframe without the EFSI;
53. Notes with concern the Court's observations that the reported estimate of investment mobilised does not take account of the fact that some EFSI operations replaced other EIB operations and EU financial instruments and the fact that a part of the EFSI support went to projects that could have been financed from other sources of public or private finance under different conditions;
54. Reiterates its call for an objective overview of the additionality, economic, social and environmental impact and true added value of the EFSI projects, as well as their consistency with Union policies or other EIB operations in order to become more policy driven than demand driven as pointed out in ECA's Special report¹ in January 2019;
55. Notes that EFSI operations were eligible to draw funds from EU and national public sources on top of private investments; notes the importance of avoiding reduced economy of spent financial resources and possible dead weight of such costs; underlines the need to guarantee additionality;
56. Considers that any overlapping in spending by multiple investors and costs dead weight should be avoided in order to avoid unreliable or multiple results ownership from the financing of investments through several different channels;
57. Calls for a better synergy between EFSI, national promotional banks (NPB) and investment platforms to improve the overall effectiveness of EFSI;
58. Considers of utmost importance that lessons learnt from the EFSI 1.0 and EFSI 2.0, especially on additionality, sustainability and transparency should be duly taken into account in initial planning, implementation and reporting on achieved results of the InvestEU programme;

EIB's Governance, transparency and accountability

59. Reiterates the importance of ethics, integrity, transparency and accountability of the EIB and the EIF in all its operations;
60. Notes that the Commission issues an opinion on all financing operations within the framework of the procedure in accordance with Article 19 of the Statute of the EIB; calls on the Commission to make these opinions available upon delivery;

¹ <https://www.eca.europa.eu/en/Pages/DocItem.aspx?did=49051>

Optimisation of the EIB corporate governance and controls framework

61. Recommends to adapt the bank's approach and related quality controls in the Bank entities to address adequately compliance risks and to support the full deployment of Results Based Budget principle within the EIB and the EIB Group;
62. Calls for an assessment and a report on risks and controls systems associated with blended finance with the European Commission, considering the impact of blending activities not only in terms of oversight but also in terms of governance options;
63. Notes that in 2018, the Bank's business model continued to evolve and being more diversified due to the growth of activities under the EFSI, which are more complex in nature, and due to transactions, which are of smaller size and higher risk profile;
64. Notes that the Board of Directors outlined several organisational and governance changes in July 2018 and approved an Implementation Roadmap in December 2018 including among others:
 - (i) a proposal to change to the EIB Statute to increase the number of alternate members of the Board of Directors and to introduce qualified majority voting with respect to certain governance matters;
 - (ii) to enhance the Bank's Internal Control and Risk Management environment, in particular by creating a Group Risk Function exercised by a Group Chief Risk Officer;
65. Believes with regards to the review of the responsibilities of the EIB governance bodies that Members of the Management Committee should avoid possible conflict of interests in any circumstances; in this context, considers it important to include in the Code of Conduct of the Management Committee and the Board of Directors a provision excluding the possibility of their Members overseeing lending or the implementation of projects in their home countries;
66. Regrets the persistent lack of diversity and gender balance at the senior management level and within the EIB Group's governing bodies; calls on the EIB to address this as a matter of priority;
67. Calls on the EIB to fully implement recommendations put forward by the EIB's Audit Committee 2018 Annual Report¹, namely that:
 - the Code of Conduct of the Management Committee and the Board of Directors be reviewed;
 - the Bank needs to ensure the adequate and sufficient staffing of the control and that any existing recruitment gaps in the control functions need to be addressed as a matter of urgency;
 - the Management Committee develops a Roadmap, including milestones, resources and timeline for the implementation of the recommendations, pointing to the fact that In

¹ https://www.eib.org/attachments/general/ac_annual_reports_2018_en.pdf

the past, the implementation of the Audit Committee's recommendations has been too slow;

Towards a more transparent and accountable institution with reinforced mechanisms to fight fraud and corruption

68. Notes that over the years the EIB has put in place internal mechanisms and governance structures to reduce risks of fraud and corruption; the Bank has also publicly committed to apply a "Zero tolerance to fraud and corruption policy";
69. Invites the EIB to disclose details on the beneficial ownership of its customers on its website with a view to increasing the visibility of its operations and helping prevent cases of corruption and conflicts of interest;
70. Asks the EIB to make the disbursement of direct and indirect loans conditional on the publication of country-by-country tax and accountancy data, and on the disclosure of information on beneficial ownership by the beneficiaries and financial intermediaries involved in financing operations;
71. Takes note of the report by Counter balance which concludes that "the EIB is still not up to the task in tackling fraud and corruption, partly due to weaknesses in its internal mechanisms, and partly to the unsatisfactory governance framework in which its activities are inscribed, together with a lack of adequate external scrutiny on its activities, including by OLAF" as well as the replies to this report by the EIB and OLAF; calls on the EIB to implement the necessary improvements to tackle the remaining weaknesses; calls on the Commission to put forward a proposal to ensure that the EIB complies with due diligence obligations at least equivalent to the EU Anti-Money Laundering Directive;
72. Expresses its serious concerns about the recent publication of an article¹ regarding an internal audit of the EIB which found serious shortcomings in the Bank's application of anti-money laundering standards; welcomes the EIB's efforts to address these shortcomings and urges it to complete its work by the given deadline as a matter of priority, and to report to Parliament on the concrete measures it has taken, in particular with regard to strengthening due diligence on clients; calls on the EIB to share the report of the aforementioned internal audit with Parliament and to publish a meaningful summary thereof, along with a detailed assessment of how each shortcoming has been effectively addressed, to be made available to the broader public;
73. Calls on the EIB to make the best of the cooperation with OLAF and EPPO and on the latter to pro-actively cover EIB cases by investigating and prosecuting perpetrators of offences damaging the EU's financial interests;
74. Reiterates its call on the EIB to become more accountable towards other EU institutions, reinforcing the Parliament's scrutiny over the EIB and allowing the European Court of Auditors full rights to audit EIB's operations;

¹ Luxembourg Times, 'EIB under scrutiny for failings after whistleblowing complaints', 21 April 2020.

75. Recalls that public participation in the policy-making of the EIB is a way to improved accountability, in particular the involvement of local communities and citizens affected by EIB operations;
76. Recalls that transparency in the implementation of EIB policies leads not only to the strengthening of the EIB's overall corporate accountability and responsibility, with a clear overview of the type of financial intermediaries and final beneficiaries, but contributes also to enhancing the effectiveness and sustainability of the aid projects funded; hereby calls on the EIB to take these aspects into account in the planned review of the EIB's transparency policy in 2020;
77. Supports thus the disclosure of clear information on how the EIB strategy is implemented and on the sustainability or climate impact of its products and portfolios;
78. Expects the EIB's whistle-blower protection policy to be ambitious and to set high standards; urges the EIB to include in that review both internal and external whistle-blowers and to establish clear and well-defined procedures, time frames and guidelines in order to provide whistle-blowers with the best guidance and protect them from any possible retaliation;
79. Regrets that the Complaints Mechanisms was not sufficiently reinforced at the end of 2018 and considers that an access to an effective and independent complaints mechanism, including rights of redress, should be further developed; notes that the EIB has set up a new dedicated Project Procurement Complaints System to ensure more effective and independent handling of related grievances in 2019;
80. Welcomes the EIB's efforts to publish new documentation on climate action, scoreboards from EFSI projects or project completion reports for finalised non-EU operations; considers that the EIB should also disclose to the greatest extent possible Minutes of Board of Governors meetings, Minutes and agendas of Management Committee meetings, 3PA REM sheets, Commission's opinions on projects and Projects' monitoring reports; understands however that certain limits apply with regard to document transparency to ensure protection of confidential information provided by EIB's clients and project partners;
81. Notes the entering into force of the new EIB Exclusion policy in 2018 including proceedings for the exclusion of entities and individuals with negative records related to their conducts and activities, the latter operationalizing the existing provisions and prohibitions of the EIB anti-fraud policy;
82. Awaits the results of the review launched in 2018 of the EIB/EIF anti-fraud policies and supports a more stringent approach towards its zero tolerance fraud, corruption policy and other forms of prohibited conduct; calls on the EIB to increase its collaboration with OLAF and the EPPO in the future and to report all cases of potential fraud to the competent authorities; takes the view that the EPPO should in the future have the mandate to prosecute criminal activity with regard to EIB funds in the EU Member States which are members of the EPPO;
83. Notes that the EIB publishes details of its clients for each operation on its website; calls on the EIB to publish also necessary information about beneficial owners; welcomes the current EIB Whistle-blowers' protection policy;

84. Notes the increase in the number of allegations in 2018 with 184 new allegations (149 in 2017) out of which 68 % originated from internal sources and 31 % from external ones; notes that the main areas of investigation are fraud, corruption, misuse of EIB/EIF name and collusion; notes that, out of the overall EIB group referrals, 69 % were made to OLAF;
85. Takes note of the agreement between the EIB and Volkswagen with the consequences to exclude Volkswagen from participating in any EIB project during 18 months and with the Volkswagen's commitment to contribute to sustainability initiative including environmental protection;
86. Supports a responsible taxation policy at the EIB by supporting the insertion of integrity clauses in the EIB's group's contracts, the execution of deep due diligence in relation to Non-Compliant Jurisdiction with a clear identification of the contracting counterparts and geographical location; welcomes the adoption of a Non-Compliant Jurisdiction policy in March 2019 and calls for a swift implementation and regular reporting to the Parliament about its implementation;
87. Considers that the respect of the highest integrity standards is a strict requirement namely the AMF-CFT standards promoted by the EU, the Financial Action Task Force as well as the tax good governance principles promoted by the OECD, the Group of twenty and the EU in order to improve fight against money laundering and terrorist financing;
88. Acknowledges the pioneer role of the EIB at EU level in the issuance of a sustainability report; invites the EIB to further develop its sustainability report by reporting on results, using well defined indicators that are specific, easily measurable and comparable;
89. Welcomes the first issuance of a limited assurance report by the EIB's external auditor on selected statements, figures and indicators of its 2018 sustainability report;
90. Calls for a stronger external scrutiny on EIB by the Court of Auditors, the current provisions of the Tripartite Agreement signed in 2016 and governing cooperation between the European Investment Bank, the European Commission and the European Court of Auditors, should be thoroughly reconsidered, when discussing the upcoming Tripartite Agreement due in September 2020;
91. Reiterates, however, its demand concerning the EIB annual report and requests the EIB to present a more comprehensive, detailed and harmonised annual activity report and significantly improve the presentation of the information by including detailed and trustworthy breakdowns of the investments approved, signed and disbursed for the given year and the financing sources engaged (own resources, EFSI, EU centrally managed programmes, etc.), as well as such information regarding beneficiaries (Member States, public or private sector, intermediaries or direct recipients), sectors supported, and the results of the ex post evaluations;
92. Calls on the Committee on Budget Control to organise an annual workshop/hearing on activities and control of the EIB operations that would provide the Parliament with additional relevant information to support its work on the scrutiny of the EIB and its operations;

Follow-up of Parliament's recommendations

93. 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) its economic, environmental and social impact of its investment strategy;
- (b) adaptations related to the prevention of conflict of interests especially when members participate in the attribution of loans;
- (c) transparency following integrity due diligence of clients to prevent tax avoidance, fraud and corruption;

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94. Instructs its President to forward this resolution to the Council and the Commission and asks that the Council and EIB Board of directors have a debate on Parliament's positions here presented.