P9_TA(2021)0331

Financial Activities of the European Investment Bank - annual report 2020

European Parliament resolution of 7 July 2021 on the financial activities of the European Investment Bank – annual report 2020 (2020/2124(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 climate strategy and new lending policy in the energy sector adopted by the EIB in November 2019,

– having regard to the Commission communication of 11 December 2019 on the European Green Deal (COM(2019)0640),

– having regard to the Commission communication of 14 January 2020 entitled ‘Sustainable Europe Investment Plan – European Green Deal Investment Plan’ (COM(2020)0021),

– having regard to the Commission proposal for a regulation of 14 January 2020 establishing the Just Transition Fund (COM(2020)0022),

– having regard to its resolution of 15 January 2020 on the European Green Deal¹,

– having regard to the EIB Financial Report for 2019, published on 5 May 2020,

– having regard to the EIB Activity Report for 2019 entitled ‘The Green Thread’, published on 7 May 2020,

– having regard to the adoption of the Climate Bank Roadmap by the EIB Board of Directors on 11 November 2020 and to the EIB’s new climate strategy of November 2020,

– having regard to the report on EIB Operations Inside the European Union 2019, published on 3 September 2019,

¹ Texts adopted, P9_TA(2020)0005.
– having regard to the report on EIB-supported projects outside the EU in 2019 entitled ‘Global reach: the impact of the EIB beyond the European Union’, published on 10 December 2020,

– having regard to the EIB’s Financial Report and Statistical Report for 2019, published on 5 May and 7 May 2020,

– having regard to the EIB’s Audit Committee Annual Reports, Fraud Investigations Activity Report and Complaints Mechanism Report for 2019,

– having regard to the EIB Group Risk Management Disclosure Report for 2019, published on 6 July 2020,

– 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 UN Sustainable Development Goals (SDGs),

– having regard to the Commission communication of 13 March 2020 on a coordinated economic response to the COVID-19 outbreak (COM(2020)0112),


– having regard to its resolution of 17 April 2020 on EU coordinated action to combat the COVID-19 pandemic and its consequences,

– having regard to its resolution of 13 November 2020 on the Sustainable Europe Investment Plan – How to finance the Green Deal,

– having regard to the European Council conclusions of 11 December 2020 on the multiannual financial framework (MFF) and Next Generation EU, COVID-19, climate change, security and external relations,

– having regard to special report no 03/2019 of the European Court of Auditors (ECA) entitled ‘European Fund for Strategic Investments: Action needed to make EFSI a full success’, published on 29 January 2019,

– having regard to the EIB Activity Report for 2020 entitled ‘Crisis Solutions’, published on 20 January 2021,

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having regard to special report no 12/2020 of the ECA entitled ‘The European Investment Advisory Hub – Launched to boost investment in the EU, the Hub’s impact remains limited’, published on 12 May 2020,

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 interest\(^1\),

having regard to the letter from the Ombudsman to the President of the EIB of 22 July 2016 on conflict of interest issues and the reply from the President of the EIB of 31 January 2017,

having regard to the decision of the Ombudsman in case 2168/2019/KR on the European Banking Authority’s decision to approve the request from its Executive Director to become CEO of a financial lobby group,

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 57 of its Rules of Procedure,

A. whereas under Article 309 TFEU and in line with the case law of the Court of Justice of the European Union, the EIB is tasked with contributing to the achievement of the Union’s objectives, including through various investment instruments such as loans, equities, guarantees, risk-sharing facilities and advisory services;

B. whereas under Article 18 of its Statute, the EIB must ensure that its funds are employed as rationally as possible in the interests of the Union;

C. whereas the EIB is the public lending arm of the European Union and one of the biggest multilateral financial institutions in the world; whereas, as a consequence, the EIB is the EU’s natural partner for the implementation of financial instruments, in close cooperation with national and multilateral financial institutions;

D. whereas the EIB took on a significant role in mobilising finance for the economy, in particular small and medium-sized enterprises (SMEs), following the economic fallout caused by the COVID-19 pandemic which began in 2020;

E. whereas the EIB plays an important role in the EU’s strategy to tackle climate and environment related challenges, as outlined by the Commission, with EUR 350 billion of additional investment needed annually to achieve the updated 2030 climate and energy targets;

F. whereas the EIB committed in 2019 to support the objectives of the European Green Deal, align all its financing activities with the goals of the Paris Agreement and become the ‘EU Climate Bank’;

\(^1\) Texts adopted, P9_TA(2020)0017.
G. whereas the EIB Board of Directors has approved the Climate Bank Roadmap for 2021-2025;

H. whereas the EIB has started the review process of its 2011 transport lending policy, with the goal of supporting accessible, efficient, green and safe transport;

I. whereas support for SMEs and mid-caps (companies of medium-size value) is a fundamental public policy goal of the EIB; whereas in 2020 alone, the EIB Group supported over 425,000 SMEs and mid-caps with new financing; whereas support for SMEs accounted for 40% of overall EIB signature volume;

J. whereas EIB investment has the capacity to support the social sector, including health, education and housing;

K. whereas in 2020 the EIB approved loans worth EUR 10.23 billion for projects outside the Union, including EUR 2.3 billion in least developed countries (LDCs);

L. whereas the high-level group of wise persons on the European financial architecture for development released its final report on 7 October 2019, in which it outlined the three following possible options for building the future European Climate and Sustainable Development Bank: a) building on the European Bank for Reconstruction and Development (EBRD) and the external financing activities of the EIB; b) pulling together the external activities of the current EU financial institutions in a new financial institution with mixed ownership; c) transferring all external activities of the EIB into an EIB subsidiary with significant other shareholders; whereas the Council conclusions of December 2019 indicated that only options a) and c) should be explored; whereas the results of feasibility studies on each option, which were supposed to be delivered in autumn 2020, still have not been delivered;

M. whereas the EIB Group is currently working to develop counterparty alignment guidelines with environmental and sustainability objectives;

**General considerations**

1. Expresses serious concerns about the severe macroeconomic imbalances deriving from the COVID-19 crisis and their related impact on sustainable economic growth, investment, resilience, employment rates, education and socio-economic inequalities; stresses that the economic and social crisis caused by the COVID-19 pandemic has significantly harmed economic growth in the EU and that one of the main fallouts is the decline in investment, which is currently insufficient to fulfil EU’s objectives; underlines that the fall in public and private investment has reached alarming levels;

2. Highlights the fundamental role of the EIB as the EU’s public bank – being the only international financial institution that is entirely owned by EU Member States and fully guided by EU policies and standards – in supporting the economic recovery in the post-pandemic context and targeting investments for the materialisation of European priorities;

3. Underlines the EIB’s crucial role in supporting the economic recovery in the short and medium term in conjunction with the European Green Deal, the European Climate Law, the European Industrial Strategy, the Next Generation EU (NGEU) Recovery Instrument, the EU’s long-term budget, InvestEU and other European financial
instruments; welcomes the EIB’s financial engagement in InvestEU as a way to help overcome the investment gap in the EU, the root causes of which still need to be addressed; welcomes, moreover, the EIB’s central role in supplying advisory support under the InvestEU Advisory Hub;

4. Supports the European Council’s conclusion that the EIB should have the necessary capital to implement Union policies and the invitation to the EIB Board of Governors to review the capital adequacy of the EIB in view of the instruments included in the MFF and NGEU, as well as the Bank’s contribution to the Union’s ambitions in fighting climate change and digitalising Europe’s economy;

5. Takes the view that a capital increase is justified in order to allow the Bank to provide long-term finance, foster inclusive sustainable growth, social and regional cohesion and support key real economy investments which otherwise would have not taken place, while keeping the current AAA status, which is an important asset for the Bank;

6. Notes that the EIB is a highly leveraged institution; calls on the shareholders of the EIB to reflect on the optimal equity structure and agree on a capital increase, both cash-in and callable in nature; emphasises that a capital increase should go hand in hand with greater transparency, democratic accountability, efficiency in the management structure and environmental sustainability;

7. Calls on the Commission, in this context, to study the possibility of being represented on the EIB Board of Governors through the subscription of EIB capital using funds from the EU budget;

8. Notes that, according to the Commission’s 2030 Climate Target Plan, over the period 2021-2030 the EU will need to invest EUR 350 billion more annually than it did over the period 2011-2020; stresses that an even larger role for the EIB is required to meet this climate investment gap; calls on the Board of Governors to seize the opportunity of favourable lending conditions for the EIB to increase issuance and maturity of bonds while preserving its strong capital position;

9. Welcomes the recent capital increase of the European Investment Fund (EIF);¹

10. Asks the EIB as the EU’s public bank to make the utmost concerted efforts to deliver strong and policy-driven financing activity in line with the respective legal provisions that deliver economic efficiencies, support sustainable growth and do not hamper access to high-quality public services; calls on the EIB to give priority to public purpose projects that promote EU policy objectives and sustainable economic growth, in particular those that would not otherwise be ‘bankable’, both within and outside the EU, with a view to addressing the unprecedented global challenges of the decades to come, in particular combating climate change;

11. Calls on the EIB to further strengthen its in-house capacity and expertise to ensure a mission-driven long-term commitment in its partnerships, promote coordination among

national and regional actors, and further develop conditions for higher risk taking in innovation and growth-inducing investments;

12. Emphasises the importance of the additionality factor to be provided by the EIB to investments across the EU; underlines the need to coordinate strategies with other European institutions and multilateral and National Development Banks;

13. Commends the EIB’s efforts in setting out targets and encourages it to strengthen implementation on the ground of its environmental and social standards and to improve evaluations of the economic, social and environmental impacts of projects supported, as well as their additionality and sustainability;

14. Stresses that the EIB must seek to avoid crowding out private investments through its activities;

15. Stresses the importance of avoiding further geographical imbalances in the EIB’s lending activity so as to ensure a broader geographical and sectoral allocation of investments, address regional disparities, namely those resulting from long-term investment deficits and geographical disadvantages, and enhance economic and social convergence and cohesion;

16. Welcomes the efforts already made by the EIB in this regard but stresses that more needs to be done, as recent reports demonstrate a persistently high level of geographical concentration of projects;

17. Calls for the EIB to contribute to addressing systemic deficiencies that prevent certain regions or countries from taking full advantage of EIB financial opportunities by, inter alia, strengthening its efforts to expand its loan activities, providing technical assistance and advisory support, especially in regions which attract low investment and which did not benefit significantly from the derogation from the State-aid rules during the pandemic crisis because of a lack of financial capacity or room for manoeuvre of the state;

Mobilising funds to tackle the COVID-19 pandemic

18. Welcomes the EIB’s rapid mobilisation of up to EUR 40 billion of emergency financing to fight the crisis caused by the COVID-19 outbreak, through the setting up of loans, credit holidays and measures to alleviate the liquidity of SMEs and mid-caps;

19. Welcomes, in addition, the subsequent creation of the EUR 25 billion European Guarantee Fund (EGF) in response to the COVID-19 crisis, not least its positive impact in providing financial support to SMEs and the health sector; regrets, however, the slow roll-out of the EGF, with the first funds only approved in late 2020 due to late submission from Member States and State aid clearing processes; stresses that the EGF was set up to be temporary in nature; suggests that the EGF should remain operational beyond 2021 given the prolonged impact of the COVID-19 crisis and the repeated lockdowns in many Member States;

20. Notes that support guaranteed by the EGF to financial intermediaries should be subject to a number of assessment criteria, such as environmental, social and corporate governance policies;
21. Calls on the EIB to consider proposing additional incentives for projects and credit lines already approved in order to get the projects off the ground as soon as possible and ensure the swift implementation of funds;

22. Welcomes the creation of a EUR 6 billion investment instrument to support the financing of the healthcare sector, namely medical infrastructure, research, and the development of vaccines; calls on the EIB to prioritise the strengthening of public health systems;

23. Notes that in the context of the COVID-19 response and as of 30 September 2020, the EIB has approved 84 operations within the EU for a total investment of EUR 23.5 billion; notes also that 88% of the approved operations were allocated to SMEs and mid-caps and the health sector; highlights the importance of supporting SMEs, as the effects of the COVID-19 pandemic are particularly hard for these companies;

24. Welcomes the creation of a targeted financing initiative of up to EUR 5.2 billion in response to the COVID-19 pandemic in order to support countries outside the EU;

25. Welcomes the EIB’s participation in COVAX, with an investment of EUR 400 million in the COVAX Advanced Market Commitment;

26. Underlines that in the light of the successive and unpredictable waves of COVID-19 infections, these instruments will need to be further strengthened, enforced, and extended; asks the EIB to stand ready to upscale existing instruments and launch new supportive financial initiatives, as appropriate;

**Becoming the EU Climate Bank**

27. Welcomes the fact that in 2020, 40% of the EIB’s lending was environment and climate related;

28. Welcomes the fact that the EIB is the world’s largest issuer of green bonds which have raised EUR 34.6 billion of Climate Awareness Bonds and Sustainability Awareness Bonds over 12 years; calls on the EIB to continue and to expand the issuance of green bonds to enhance the liquidity of that market and to remain involved in the development of an EU green bond standard;

29. Welcomes the new Climate Risk Assessment (CRA) system established to assess the physical climate risk in direct lending and suggests that the EIB propose harmonised screening methods in its action plans, using, where appropriate the Taxonomy Regulation¹;

30. Welcomes the EIB’s commitment to support the Commission’s Sustainable Finance Action Plan, in particular by aligning with the EU taxonomy for tracking climate action and environmental sustainability finance, and by adopting the ‘Do No Significant Harm’ criteria as a basis on which to evaluate projects;

31. Calls on the EIB to uphold its commitment to align all of its operations with the objectives of the Paris Agreement as soon as possible, and in a timeframe that is coherent with the EU’s objective of achieving climate neutrality by 2050 at the latest; highlights that developing advanced alternative and sustainable fuels will require significant investments in order to overcome the current technological frontier; calls on the EIB to establish and conclude green transition contracts for high emitting sectors in order to ensure that they align their business models with climate neutrality objectives;

32. Recognises the need for the EU and its Member States to redirect capital flows towards climate adaptation and mitigation in order to make our economies, businesses and societies more resilient to climate and environmental shocks and risks;

33. Welcomes the adoption by the EIB Board of Directors of the ambitious EIB Climate Bank Roadmap for 2021-2025, and the inclusion of the shadow carbon pricing mechanism in particular, which provides a crucial framework to support the transition and implementation of the European Green Deal and marks a decisive step towards making the EIB the EU Climate Bank, promoting sustainable investments and protecting the environment during the critical decade ahead;

34. Welcomes the EIB’s climate leadership and the decision to increase EIB financing for climate action and environmental sustainability, including renewable energies, from around 30% to at least 50% by 2025;

35. Notes that the roadmap envisages the introduction of a transition period until the end of 2022, which causes a delay in the alignment with the objectives of the Paris Agreement; calls on the EIB to strive for maximum compliance with the Paris Agreement in the ongoing appraisal procedures, and full compliance as of 2023 at the latest;

36. Notes that the EIB will structure future work on the implementation of the Roadmap around ten new action plans, which will build on the first five years of implementation of the EIB’s 2015 climate strategy; demands, in this context, to be regularly and fully informed on the implementation of the Roadmap;

37. Calls on the EIB to take into account the inputs from relevant stakeholders, local authorities, trade unions and NGOs in its investment strategy as the EU’s Climate Bank and in the context of the implementation of the Roadmap;

38. Welcomes the EIB’s development of a biodiversity risk assessment and the adoption of the Environmental, Climate and Social Guidelines on Hydropower Development; recalls that biodiversity protection is fundamental for EU sustainability, with critical effects for European economic, health and food conditions; calls on the EIB to further develop biodiversity-proofing components in its financial instruments in order to avoid adverse effects on biodiversity;

39. Acknowledges the challenges and progress achieved during the implementation of the Natural Capital Financing Facility (NCFF); calls on the EIB to consider providing a grant component under the NCFF to support the initial scaling up of local projects and facilitate generating revenues; believes that an evaluation of the NCFF should be embedded in a broader assessment of the EIB on how to support ecosystem and biodiversity restoration in the EU;
40. Welcomes the commitment by the EIB in the Climate Bank Roadmap to focus support on sustainable rearing and dairy industries, and in particular to address animal welfare;

41. Calls on the EIB Group to use its new operations as a way of supporting the goals of the EU Chemicals Strategy for Sustainability, since they would boost innovation for safe and sustainable-by-design chemicals, materials and products, the Circular Economy Action Plan based on non-toxic material cycles and the upcoming Zero Pollution Action Plan for water, air and soil;

42. Welcomes the upcoming review of the EIB’s transport lending policy and the EIB’s commitment to end support to airport expansions by the end of 2022; stresses the importance of aligning the EIB’s transport portfolio and transport lending policy with the Paris Agreement as soon as possible;

43. Calls for the swift adoption of a new transport financing policy strategy aimed at decarbonising the EU transport sector by 2050 at the latest and promoting accessible, efficient, green and safe means of transport; underlines, in this context, that the EIB should continue its engagement in financing innovation and green technology for aviation; requests in this context that the new transport policy also take into account the geographical features of EU regions, such as insular, innermost and outermost regions;

44. Calls on the EIB to increase support for modal shifts towards low-carbon transportation, such as cycling and public transport, in particular for underserved communities and localities;

45. Highlights the crucial role of the EIB in meeting the goals of the Just Transition Mechanism and asks for more commitment and concrete action in this respect, namely through structural programme loans, InvestEU and as a financing partner for the public sector loan facility; invites the EIB to use its role as financing partner for the public sector loan facility as an opportunity to strengthen its capacity to finance smaller projects and community-led initiatives and to build partnerships with municipalities and other public entities so that no one is left behind in the process of economic transition;

46. Underlines that Member States and regions have different starting points; notes that the transition towards a carbon-neutral economy must be inclusive and fair, and must leave no one behind; emphasises that special attention should be paid to the protection of the citizens and workers that will be most affected by the transition; suggests that the EIB proactively work with Member States with a view to supporting regions where jobs are highly dependent on high-emitting industries;

47. Welcomes the new EIB energy lending policy and its commitment to end investments in fossil fuel by the end of 2021; calls on the EIB to assess the compatibility of investments made in 2021 towards high-carbon projects with the updated 2030 climate targets; insists that the EIB implement the principle of energy efficiency and set the objective of tackling energy poverty in all its energy lending;

48. Welcomes the Smart Finance for Smart Buildings initiative that facilitates investments in energy efficiency projects; calls for the reinforcement of housing investments promoting energy efficiency and tackling energy poverty, and for further investments in social and affordable housing, also to contribute to the renovation wave strategy;
Support for innovation, SMEs, industry and digitalisation

49. Considers that mistakes of the past should not be repeated and that efficient investment in innovation, infrastructure, education and skills are crucial elements to recover from the economic and social crisis, ensure sustainable and inclusive growth and create high-quality jobs and long-term competitiveness; emphasises, in addition, that a regulatory environment composed of predictable rules, a level playing field and administrative efficiency also contributes to crowding in private investment;

50. Welcomes the fact that in 2020 the EIB supported innovation and skills with EUR 14.43 billion; calls on the EIB to further enhance its support for innovation and skills;

51. Highlights the importance of the EIB’s role in the success of the InvestEU programme in the post-pandemic recovery; underlines that the EIB will continue to be the main investment partner for the implementation of the InvestEU programme;

52. Hopes that the new InvestEU programme will enable further risk-taking by the EIB in real economy projects and support for SMEs in particular, including through capital support;

53. Recalls that SMEs are the backbone of Europe’s economy, representing 99% of all businesses in the EU and employing around 100 million people; welcomes the fact that in 2020 the EIB provided financing for SMEs and mid-caps, with investment totalling EUR 30.56 billion and supporting 425,000 companies;

54. Reiterates that supporting microenterprises, SMEs and mid-caps must remain a key objective for the EIB, and one that should be further strengthened during the current economic crisis, notably to assist them with financing, internationalisation, decarbonisation and access to ICT tools; stresses that SMEs often have limited administrative resources available and thus should benefit from easily accessible financing channels; welcomes efforts made to provide online assistance and counselling to SMEs in accessing EIB lending and calls for this advisory capacity to be extended;

55. Calls on the EIB to complement efforts to build a data-driven society in a transparent, trustworthy, interoperable and inclusive manner, with a particular focus on the adaptation of SMEs to enhance their competitiveness;

56. Stresses, in this regard, that European SMEs are lagging behind in embracing digital technologies with only 66% of manufacturing companies in the EU adopting at least one digital technology;

57. Highlights the need to upscale lending to female-led SMEs to promote a more gender equal recovery;

58. Calls on the EIB to mobilise sufficient support for infrastructure towards delivering faster internet speed to all regions in the EU and bridging the existing digital divide, and also requests that the EIB continue its support for advancing digital skills, in particular for employees in sectors of the economy in need of adjustment and requalification;

59. Notes that the COVID-19 outbreak revealed the fragility of the EU’s supply chains and the insufficiency of IT networks; calls on the EIB to align its investment strategy to help
ensure greater resilience of the internal market’s value chains and strengthen the
European industrial sector, especially in strategic areas;

60. Calls on the EIB to play a role in assisting and financing the creation of innovation
ecosystems and knowledge economies throughout the EU, and in promoting place-
based industrial transformation, where universities, businesses, SMEs and start-ups can
develop long-lasting partnerships for the common good and which can make a
meaningful contribution to achieving the objectives of the Green Deal and the
digitalisation of the economy;

61. Highlights the need for the EIB to have a strong focus on projects directed towards
young people, especially for start-ups and projects directed towards tackling the
increasingly significant problem of youth unemployment and young people in
precarious jobs;

Investment in social infrastructure and welfare

62. Notes that during the ongoing COVID-19 crisis, social welfare systems in the Member
States have come under unprecedented strain; calls on the EIB to partner with the
Commission and the Member States to increase investment in the social sector;

63. Acknowledges that the COVID-19 crisis has had a disproportionate impact on certain
parts of society; urges the EIB to assist Member States in projects that address
inequalities, including gender inequalities, and those affecting marginalised
communities;

64. Welcomes the EIB’s commitment to invest in the social sector, thereby fostering well-
being, access to education, health and housing, as well as the acquisition of skills
required in a modern knowledge-based economy;

65. Calls on the EIB to support projects in Member States which deliver on the
implementation of the European Pillar of Social Rights, the SDGs and the social
reforms identified in country specific recommendations under the European Semester;

66. Notes that the COVID-19 pandemic has had negative impacts on children’s education
and well-being across the globe, with millions of children still without access to
education due to lockdown measures and therefore at risk of regression and suffering
potential lifelong effects; welcomes the EIB’s investment in education, as it helps to
fight poverty and inequalities, boosts economic growth and improves gender equality;
calls on the EIB to increase its investment in education to help mitigate the severe
impact of the COVID-19 crisis on education systems globally;

Supporting development and sustainability outside the EU

67. Welcomes the fact that the EIB is the largest multilateral lender in the world that strives
to support EU external cooperation and development policies; notes that the EIB has
been active outside the EU for over 50 years, with EUR 150.1 billion in loans granted in
150 different countries as of the end of 2020, of which EUR 10.23 billion were signed
in 2020;

68. Calls on the EIB to apply a suspension to its pending loans, to carefully assess the debt
impact of its future operations, and to express public support for the creation of a
multilateral debt workout mechanism to address both the impact of the crisis and the financing requirements of the 2030 Agenda, given that all EIB shareholders are committed to the G20 commitment to suspend the debt of 77 countries following the debt crisis linked to the COVID-19 outbreak;

69. Stresses the need for full alignment of EIB investments in third countries with EU external action and sustainable development priorities;

70. Acknowledges that the EIB will further reinforce its support to green investment outside the EU; insists that the EIB should apply the same standards and criteria to assess and evaluate projects inside and outside the Union, including those recently agreed in the Climate Bank Roadmap;

71. Considers, in this context, that the EIB should enhance its monitoring of and reporting on projects outside the EU and improve its analysis of their economic, social and environmental impacts and increase the efficiency of the Results Measurement Framework (REM), while strengthening human rights due diligence for projects in non-EU countries;

72. Takes the view that tailored indicators to measure the reduction of inequalities, tax revenue generation for host countries, and the impact on gender balance and marginalised groups should also be considered;

73. Notes that private sector investment will be essential to fill the funding gap for the SDGs; recalls the crucial role of the EIB in de-risking private investment, particularly in fragile contexts; is concerned, however, about the use of EU development funds for de-risking private investment given the lack of evidence as to the capacity of this financial modality to demonstrate additionality and fulfil development objectives, as recently reported in the final review of EFSD as well as the opinion of the European Court of Auditors (No 7/2020); stresses the need for donors to prioritise grant-based financing as the default option, especially for LDCs, and for them not to favour blending, guarantees or any loans over grants, since they fall short of the SDGs and could increase countries’ burden of debt;

74. Welcomes the agreement reached between the European Council and Parliament on the regulation setting up the Neighbourhood, Development and International Cooperation Instrument; notes in particular the role that the EIB will play in the context of the European Fund for Sustainable Investment;

75. Highlights that climate change is a crucial challenge to achieving sustainable development, as it threatens to worsen living conditions and poverty; calls therefore for the EIB to prioritise investment in projects that helps third countries to realise the UN Sustainable Development Goals and that delivers on social and environmental justice, food security, public services and fair economic opportunities for citizens; appreciates that the EIB will further reinforce its support to green investment outside the EU, which will help underline the EU’s role as a global leader on climate and environmental sustainability;

76. Calls on the EIB, while respecting its external lending mandate, to increase its engagement in least developed countries and those experiencing conflict, enhance
cooperation with EU delegations, and increase its presence on the ground with additional staff focusing on development issues;

**Delivering on governance, accountability, transparency and integrity**

77. Recalls its request for an interinstitutional agreement between the EIB and Parliament in order to improve access to EIB documents and data and enhance democratic accountability, including the ability to submit questions for written answer to the EIB, and the specification of the rights of Parliament and its Members as regards access to documents and data, and the organisation of hearings and economic dialogues;

78. Proposes, in addition, and in the meantime, the establishment of a protocol for an interim Memorandum of Cooperation between the EIB and Parliament, applicable with immediate effect, in order to improve interinstitutional dialogue and enhance the EIB’s transparency and accountability;

79. Calls on the EIB to increase its reporting to Parliament regarding its decisions, progress achieved and the impact of its lending activities, notably through regular structured dialogues, and to apply the same reporting and accountability provisions as set out in the EFSI Regulation\(^1\);

80. Calls on the EIB to step up its efforts in terms of communication; believes it is vital that it should engage with EU citizens in order to better explain the aims of its policies and illustrate its contribution to the daily lives of its citizens;

81. Welcomes the EIB’s launch of a public consultation on the review of its transparency policy in December 2020; notes, however, that the current proposal falls short of meeting the demands made by Parliament and civil society organisations to step up its transparency policy in line with the best practices and standards employed by other financial institutions;

82. Calls on the EIB to ensure the timely publication of more ample information on all its financing activities in line with international best practices, including environmental and social assessments, in order to make them accessible to potential beneficiaries, affected groups and local civil society organisations;

83. Reiterates its call on the EIB to operate on the basis of the ‘presumption of disclosure’; calls notably for the timely publication of the agendas and minutes of meetings of the Management Committee and welcomes the publication of the agenda and minutes of the meeting of the Board of Directors; underlines that the future transparency policy should reinforce the transparency requirements for all its operations and require project promoters to make environmental impact assessments (EIAs) publicly available, by including stringent, yet proportionate, transparency obligations in the specific contractual clauses signed with all EIB clients;

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84. Reiterates its call for the disclosure of the opinions issued by the Commission within the framework of the procedure in accordance with Article 19 of the EIB Statute on the EIB financing operations for the purpose of assessing their compliance with the relevant EU legislation and EU policies; calls on the Commission and the EIB to reach an agreement to ensure full transparency on such opinions and their underlying rationale;

85. Notes that the appointment of the former EIB vice-president as a member of Iberdrola’s Board of Directors raised serious concerns regarding risks of conflicts of interest, despite the fact that the move was duly notified in advance and has complied with the provisions applicable to former members of the EIB Management Committee; notes further that a binding opinion from the EIB Ethics and Compliance Committee issued prior to the nomination did not raise any objection to the case and asks for further explanation to be provided regarding this opinion; notes that this post-public employment with barely any cooling-off period constitutes a risk to the reputation and independence of the EIB; recalls that the European Ombudsman found that the European Banking Authority’s decision not to forbid its Executive Director from becoming the CEO of a financial industry lobby was maladministration and that forbidding the job move would have been a necessary and proportionate measure; calls on the EIB to evaluate the need to further improve rules and practices regarding conflicts of interest;

86. Expresses its concern that the eight EIB vice-presidents, in addition to their sectoral responsibilities, oversee project proposals from their home countries, alongside other country responsibilities; regrets the failure of the EIB to act on Parliament’s request to include in the Code of Conduct of the Management Committee a provision excluding the possibility of their Members overseeing lending or the implementation of projects in their home countries;

87. Welcomes the EIB’s internal review and the revision of its anti-fraud policy and its intention to elevate the policy to group level, thereby applying it to both the EIB and the EIF; urges the EIB to take an ambitious and broad approach to this review and address the existing weaknesses in its due diligence and internal control mechanisms and to strengthen its policy against fraud and corruption, in line with the repeated demands of Parliament;

88. Stresses the importance of the EIB’s anti-fraud investigative office having robust competences, sufficient resources and independence; calls on the EIB to enhance its cooperation with the European Ombudsman, the European Anti-Fraud Office (OLAF) and the European Public Prosecutor’s Office (EPPO) where appropriate, and to report criminal cases to national authorities; urges the EIB to strengthen the autonomy and efficiency of the Complaint Mechanism Office and the Fraud Investigation Division;

89. Recalls that the Commission asked the EIB to share more information on the effective application of contractual clauses enabling the EIB to halt or withdraw funding and expects that Parliament will have full access to this information;

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Welcomes the progress achieved with the implementation of the EIB’s Group Strategy on Gender Equality and Gender Action Plan; takes note of the 2019 Progress Report on Diversity and Inclusion; notes that women represent 51.4% of the EIB workforce;

Regrets the fact that women are still not sufficiently represented in managerial and senior office positions; believes that more needs to be done in this regard during the implementation of the second phase of the action plan in 2021, and calls, therefore, on the EIB to further encourage the participation of women and actively promote balanced gender representation in its 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;

Urges the EIB to collect, where possible, gender-disaggregated data and to develop tools and methodologies to conduct gender analysis and gender impact assessment for EIB projects and operations both inside and outside the European Union, and to consult with independent experts to this end;

Expresses serious concerns about allegations regarding harassment and the working environment at the EIB; recognises that recent 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 as well as proper and reliable complaint and victim support mechanisms; urges the EIB management to genuinely engage in dialogue with staff representatives in order to address their concerns;

Welcomes the fact that the EIB will review its environmental and social standards and calls for a wide and inclusive public consultation on these issues; highlights the potential for the EIB to include further standards on other policy priorities; calls on the EIB to include social considerations when evaluating adverse impacts of potential investments;

Reiterates that sustainability, as defined in EU law\(^1\), is a broad concept and that investments are sustainable only if they take into account the ‘do no significant harm’ (DNSH) principle in connection with social or environmental sustainability objectives; welcomes the fact that the EIB committed to fully aligning its tracking methodology for climate action and environmental sustainability objectives with the framework defined by the EU Taxonomy, including the incorporation of the DNSH\(^2\) in all its operations;

Calls on the EIB to take this opportunity to strengthen its human rights policy; expects notably that human rights due diligence obligations be reinforced and that the human rights dimension in its project planning be made more prevalent, in particular for projects in non-EU countries;

Expects the EIB to conduct thorough monitoring that fully takes into account concerns expressed by concerned parties and stakeholders, in particular those pertaining to human rights violations;


\(^2\) EIB Climate Bank Roadmap, p. 55.
98. Highlights that investee companies of the EIB should follow good governance principles, including in tax matters; welcomes the fact that the EIB does not enter into new or renewed operations with entities incorporated or established in jurisdictions listed for tax and anti-money laundering/combating financing of terrorism (AML-CFT) purposes and that a case-by-case risk assessment is carried out when contracting counterparties are incorporated or established in jurisdictions which are generally cooperative but have not yet solved outstanding tax good governance deficiencies (jurisdictions listed in Annex II to the EU list of non-cooperative jurisdictions);

99. Highlights that extensive checks are required to ensure that counterparties do not benefit from other legal links to such jurisdictions; calls on the EIB to enforce prevention measures and regular assessments against the use of non-cooperative tax jurisdictions, and of harmful tax practices by partners;

100. Encourages the EIB Group to update in the future its non-cooperative jurisdiction (NCJ) policy on the basis of future developments to tax good governance in the EU or at international level; recalls that the policy provides for a general prohibition from entering into operations with contracting counterparties incorporated or established in NCJs, except under strict conditions;

101. Takes note of the December 2020 Anti-Money Laundering and Combating Financing of Terrorism Framework of the EIB; is concerned that the framework outlined is not detailed on specific procedures to align the Bank’s activities with EU law, namely on customer due diligence and in particular when enhanced due diligence takes place;

102. Reiterates previous concerns expressed by Parliament about the lack of control over the funds managed by financial intermediaries and the difficulty of monitoring final beneficiaries and compliance with eligibility criteria;

103. Welcomes the fact that the EIB is currently working to develop counterparty alignment guidelines; invites the EIB to develop an ambitious action plan for a ‘counterparts alignment framework’ and ensure that the guidelines provide for greater transparency and stricter due diligence over its partners and their eligibility to disburse EIB-backed funds under strict conditionality, comprising ethical, integrity, social and environmental criteria; reiterates that this framework should also include future requirements for all financial intermediaries and corporate clients to have in place a forward-looking decarbonisation plan aligned with the Paris Agreement using science-based emissions targets as soon as possible and no later than 2025, without prejudice to the ability of the EIB to offer technical assistance on devising such decarbonisation plans;

104. Asks the EIB, while preserving commercially sensitive data, to publish more regular, in-depth and comprehensive information on the financial intermediaries responsible for leveraging EIB funds (198) and to include contractual clauses concerning mandatory disclosures from these institutions on lending activity;

105. Stresses that the EIB should reinforce and make full use of contractual clauses enabling it to suspend disbursements or other mitigating measures to protect the integrity and reputation of its operations in cases of projects’ non-compliance with environmental, social, human rights, tax and transparency standards;
106. Calls for a stringent exclusion policy for the exclusion of entities found engaged in fraud, corruption, money laundering or other forms of wrongdoing from EIB financing;

107. Welcomes the European Court of Auditors’ (ECA) work with respect to Union budget funds managed by the EIB and calls on the institutions to agree on enhancing ECA audit rights within the limits of the EU Treaties;

108. Takes note of the ECA’s criticism in its special report no 12/2020 entitled ‘The European Investment Advisory Hub – Launched to boost investment in the EU, the Hub’s impact remains limited’ and calls on the EIB to draw the necessary conclusions for its work going forward;

109. Invites the ECA to produce a special report with recommendations on the performance of the EIB’s activities and their alignment with EU policies and objectives;

110. Takes note of the ECA’s special report no 3/2019 entitled ‘European Fund for Strategic Investments: Action needed to make EFSI a full success’, in particular its observations on the need for comparable performance and monitoring indicators for all EU financial instruments and budgetary guarantees; calls on the Commission to ensure proper follow-up in collaboration with the EIB, as a major implementer in the context of InvestEU;

111. Instructs its President to forward this resolution to the Council, the Commission, the European Investment Bank, and the governments and parliaments of the Member States.