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## **Control of the financial activities of the European Investment Bank - annual report 2022**

**European Parliament resolution of 12 July 2023 on the control of the financial activities of the European Investment Bank – annual report 2022 (2023/2046(INI))**

(C/2024/4007)

*The European Parliament,*

- having regard to the European Investment Bank (EIB) 2022 activity report of 2 February 2023 entitled ‘Secure Europe’,
- having regard to the document of 27 January 2022 entitled ‘EIB Group Operational Plan 2022-2024’, and to the document of 2 February 2023 entitled ‘EIB Group Operational Plan 2023-2025’,
- 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 Environment Framework’ adopted on 14 November 2022,
- having regard to the report of 2 February 2023 entitled ‘Climate action and environmental sustainability overview 2023’,
- having regard to the document of 2 February 2022 entitled ‘European Investment Bank Environmental and Social Standards’,
- having regard to the report of 12 July 2022 entitled ‘Regional Cohesion in Europe 2021-2022 – Evidence from the EIB Investment Survey’,
- having regard to the Climate Bank Roadmap 2021-2025, adopted by the EIB Board of Directors on 11 November 2020,
- having regard to the 2022-2023 EIB Climate Survey,
- having regard to the document of 1 February 2023 entitled ‘The EIB Group PATH Framework – Version 1.1 October 2022 – Supporting counterparties on their pathways to align with the Paris Agreement’,
- having regard to the publication of 17 March 2023 entitled ‘Annual Report of the Procurement Complaints Activity and the Procurement Complaints Committee of the European Investment Bank 2022’,
- having regard to the document of 10 February 2023 entitled ‘EIB Global – partnership, people, impact’,
- having regard to the EIB Group evaluation report of 22 April 2022 entitled ‘Rapid assessment of the EIB Group’s operational response to the COVID-19 crisis’,
- having regard to the EIB brief of 31 May 2022 entitled ‘Evaluation of EIB support for urban public transport in the European Union (2007-2019)’,
- having regard to the publication of 6 July 2022 entitled ‘EIB Group Sustainability Report 2021’, and to the EIB Group Environmental and Social Sustainability Framework, adopted on 2 February 2022,
- having regard to the publication of 21 July 2022 entitled ‘EIB Audit Committee Annual Reports for the year 2021’,
- having regard to the EIB brief of 30 May 2022 entitled ‘EIB evaluation of the EIB’s special activities’,

- having regard to the EIB report of 27 July 2022 entitled ‘EIB Group activities in EU cohesion regions in 2021’,
- having regard to the report of 8 November 2022 entitled ‘EIB Investment Survey 2022 – European Union overview’,
- having regard to the report of 9 December 2022 entitled ‘EIB Diversity and Inclusion – 2021 Progress Report’,
- having regard to the EIB document of 2 February 2023 entitled ‘Health Overview 2023’,
- having regard to the joint communication from the Commission and the High Representative of the Union for Foreign Affairs and Security Policy of 18 May 2022 on the Defence Investment Gaps Analysis and Way Forward (JOIN(2022)0024),
- having regard to the EIB Compliance Activity Report 2021 of 25 August 2022,
- having regard to the EIB Group Anti-Fraud Policy of 5 August 2021,
- having regard to the 2020 Annual Report of the EIB Ethics and Compliance Committee, published on 8 April 2022, and to its operating rules adopted in January 2016,
- having regard to the codes of conduct for EIB Group staff, for members of its Audit Committee and for its Management Committee, published on 3 February 2023,
- having regard to the EIB Group Risk Management Disclosure Report 2021, published on 9 August 2022,
- having regard to the Rules of Procedure of the EIB,
- having regard to the Tripartite Agreement between the Commission, the European Court of Auditors and the European Investment Bank (the Tripartite Agreement), which came into force in November 2021,
- having regard to the EIB Report on the implementation of the EIB Group Transparency Policy in 2021, published on 7 November 2022,
- having regard to the EIB Group whistleblowing policy, published on 24 November 2021,
- having regard to the Commission communication of 8 March 2022 entitled ‘REPowerEU: Joint European Action for more affordable, secure and sustainable energy’ (COM(2022)0108),
- having regard to the conclusions adopted by the European Council at the meeting on 15 December 2022,
- having regard to the judgment of the Court of Justice of the European Union in Case T-299/20 <sup>(1)</sup>,
- having regard to the comments issued by the Office of the UN High Commissioner for Human Rights in August 2021 on the Draft Environmental and Social Sustainability Framework (ESSF) of the EIB Group,
- having regard to Cases 1065/2020/PB, 1251/2020/PB and 1252/2020/PB concerning the EIB, which were decided by the European Ombudsman (EO) on 21 April 2022, and Case 1016/2021/KR, which was decided by the EO on 27 July 2022,
- having regard to the EO’s inspection report of 6 December 2022 in Case OI/1/2021/KR on how the Commission handles the challenge of ‘revolving door’ situations involving its (former) staff members,
- having regard to Rule 54 of its Rules of Procedure,
- having regard to the letter from the Committee on Development,
- having regard to the report of the Committee on Budgetary Control (A9-0212/2023),

<sup>(1)</sup> Judgment of 30 March 2022, KF v European Investment Bank, T-299/20, ECLI:EU:T:2022:171.

- A. whereas the EIB Group consists of the European Investment Bank and the European Investment Fund (EIF) and is the biggest multilateral financial institution in the world, whose main task is to boost Europe's potential in terms of jobs and growth; whereas the EIB is simultaneously one of the largest providers of climate finance, operating in international capital markets and offering competitive terms to clients and favourable conditions to support EU policies and projects;
- B. whereas the EIB is bound by the EU Charter of Fundamental Rights and human rights principles must be integrated into its due diligence procedures and standards, including publicly available forecast-based assessments; whereas EIB investment has the capacity to support the social sector, including with regard to health, housing and education and tackling unemployment, poverty and social exclusion;
- C. whereas the EIB's key priorities are to provide funding for projects to foster European integration and to promote and support EU policies both within and outside the EU, such as through sustainable investments in climate and the environment, development, innovation and skills, small and medium-sized enterprises (SMEs), infrastructure and cohesion;
- D. whereas the EIB works closely with other EU institutions and with national promotional banks and development finance institutions (DFIs), in coordination with the European External Action Service (EEAS) and the European Bank for Reconstruction and Development (EBRD), to achieve its targets and to support EU policies in more than 140 countries worldwide, through dedicated investment instruments such as loans, equities, guarantees and risk-sharing facilities, as well as advisory services;
- E. whereas the EIB is treaty-bound to contribute to EU integration, economic and social cohesion, regional development and the balanced and steady development of the internal market, and to address inequalities by improving the conditions for access to jobs, educational opportunities, public infrastructures and services and providing a healthy and sustainable environment;
- F. whereas the EIB plays a key role in the fight against climate change and environmental degradation and is committed to aligning all EIB activities with the Paris Agreement and to increasing the annual financing for climate action and environmental sustainability to more than 50 % of total lending by 2025;
- G. whereas the Just Transition Mechanism is part of the EIB's Climate Bank Roadmap;
- H. whereas the EIB contributes to implementing the political and economic goals of the EU, supporting the Union's external action priorities in all regions around the world, including in politically sensitive countries in the Eastern and Mediterranean neighbourhood regions, the Western Balkans, the Middle East and North Africa;
- I. whereas the EIB is the largest multilateral lender in the EU neighbourhood regions and runs its operations outside the EU through its branch EIB Global, with a network of nearly 30 external offices located in Africa, Latin America and Asia;
- J. whereas the EIB undertook significant efforts to offer additional support following the outbreak of the COVID-19 pandemic, establishing the Pan-European Guarantee Fund to provide capital for SMEs;
- K. whereas, since the global financial crisis, there has been a persistent gap in productive investment of 1,5 to 2 percentage points of GDP between Europe and the United States, mainly driven by greater US investment in machinery, equipment and innovation, particularly in information and communication technology equipment (in the service sector) and intellectual property (in the public and defence sectors), and the EIB is expected to contribute to reducing that gap;
- L. whereas, in light of the energy crisis, coupled with the aftermath of the pandemic and other aspects of the international situation, a set of focused actions must be launched in a timely manner to increase investments and shield economies from the potentially negative effects of monetary tightening;
- M. whereas continuous attention is to be paid to the development of best practices related to the EIB's performance policy and management, as well as good governance and transparency;
- N. whereas the EU cannot afford to delay the actions needed to address long-term, structural challenges, such as the shrinking proportion of the population that is of working age, climate change, digitalisation and innovation;

- O. whereas the EIB's business model demands the highest standards of integrity, transparency, accountability and good governance, and adequate measures need to be adopted and continuously updated to counter all forms of fraud, money laundering, financing of terrorism and organised crime and harmful tax practices effectively and efficiently, as well as to address the prohibited conducts identified in its Anti-Fraud Policy, which was recently revised; whereas the European Anti-Fraud Office (OLAF) and the European Public Prosecutor's Office (EPPO) can investigate matters relating to fraud, corruption and other offences affecting the EU's financial interests within the EIB;

### ***The EIB's financial operations and performance***

1. Remarks that on 31 December 2022, the total EIB Group balance sheet stood at EUR 547,3 billion, showing a decrease of EUR 20,7 billion or 3,6 % compared to 31 December 2021, when the equivalent figure was EUR 568,0 billion;
2. Acknowledges the importance of the main results achieved by the EIB Group in 2022, with a total of EUR 72,5 billion in financing (including own and third-party resources, compared to EUR 93,6 billion in 2021 and EUR 74,7 billion in 2020), which will help unlock around EUR 260 billion in investment in the real economy; observes the rising targets for 2023 and 2024 (EUR 80,4 billion and EUR 82,2 billion, respectively); remarks that in 2022, financing was distributed across the main priorities as follows: EUR 17,93 billion for innovation, digital and human capital, EUR 20,86 billion for sustainable energy and natural resources, EUR 17,31 billion for sustainable cities and regions and EUR 16,35 billion for SMEs and mid-caps;
3. Observes that in 2022, the overall performance level of the EIB remained high and the loan portfolio continued to perform well, with the proportion of impaired loans standing at only 0,4 % at the end of 2022 (compared to 0,3 % and 0,4 % at the end of 2021 and 2020, respectively) and with a reported net profit of EUR 1,1 billion as at 31 December 2022 (in comparison to EUR 2,5 billion, EUR 1,7 billion and EUR 2,4 billion in 2021, 2020 and 2019, respectively); points out that, because profits are retained to support the EIB's operations, the Bank's consistent profitability has led to the build-up of considerable reserves over the years, increasing the EIB's own funds from EUR 76,1 billion at the end of 2021 to EUR 77,2 billion at the end of 2022;
4. Observes that, based on an economic model jointly developed by the EIB's Economics Department and the Commission's Joint Research Centre, EIB Group support will create about 950 000 new jobs in the EU-27 by 2026 and will have an impact on the EU's economy equivalent to +1,07 percentage points of GDP;
5. Welcomes the Bank's advisory role, in particular in regions that combine carbon-intensive production with socio-economic fragility and to support adaptation actions explicitly addressing the needs of the population groups that are the most vulnerable to the impacts of climate change;
6. Notes that, in 2022, the Bank's new lending amounted to EUR 65,15 billion, close to the results of the preceding years (EUR 65,4 billion in 2021, EUR 66,1 billion in 2020 and EUR 63,3 billion in 2019);
7. Points out that, in 2022, the biggest share of financing was allocated in Italy, France and Spain;
8. Notes that, in 2022, the EIB issued EUR 19,9 billion in Climate and Sustainability Awareness Bonds (CABs and SABs), reaffirming its role as a leader in the global green and sustainability bond markets following its EUR 11,5 billion and EUR 10,5 billion equivalent issuance in sustainability debt products in 2021 and 2020; observes that the EIB increased the share of sustainability funding (from CABs and SABs) in its total funding to 45 % in 2022, compared to 21 % and 15 % in 2021 and 2020;

9. Understands that from 2021 to 2027, InvestEU's EUR 26,2 billion guarantee, with provisioning from the multiannual financial framework (MFF) and NextGenerationEU, is expected to mobilise more than EUR 372 billion in additional private and public investment in Europe, mainly for sustainable infrastructure, research, innovation and digitalisation, support for SMEs, and social investment and skills;

10. Welcomes the signature on 7 March 2022 of the InvestEU Agreement with the Commission, making the EIB and the EIF the first implementing partners to sign a guarantee agreement; recalls that the InvestEU programme is the successor to the European Fund for Strategic Investments and is deployed under the EU's 2021-2027 MFF, with the EIB as the key implementing partner, such that the EIB is responsible for managing 75 % of the overall budget of the mandate;

11. Welcomes the approval by the Board of Directors of the EIB Group Operational Plan 2023-2025, published on 2 February 2023, confirming the EIB's alignment with the EU's political priorities and its commitment to stepping up its ambition for the digital and green transition;

12. Welcomes the introduction, since the adoption of the EIB Group Operational Plan 2022-2024, of value-added performance indicators for new approvals, following the launch of the additionality and impact measurement (AIM) framework in 2021; understands that the EIF's operations are not considered under the AIM framework, but notes that additionality requirements apply to EIF-managed mandates, including InvestEU and EIF guarantee products;

13. Appreciates the work carried out by the EIB Group's Evaluation function, which promotes accountability through evidence-based assessments of the Group's performance and results and contributes to knowledge sharing, informing the Group's decisions on policies, strategies, products, projects and organisational matters, and improving performance; notes the evaluations on equity and semi-equity and on debt support, pointing out that the availability of such financing addresses relevant market gaps and makes a significant contribution in terms of volumes, market development and best practices; underlines that the provision of stable and predictable funding throughout the economic cycle has a steadying effect on the market, including in times of crisis;

14. Understands that over EUR 1 billion of EIB support for aerospace and cybersecurity was delivered in 2022, exceeding the target; believes that the EIB has a strategic role to play in supporting Europe's defence financing in dual-use sectors; takes note that the new EIB strategic European security initiative will make up to EUR 6 billion of financing available by 2027; welcomes the fact that the EIB is set to further strengthen institutional partnerships with the Commission (in particular the Directorate-General for Defence Industry and Space), the EU Agency for the Space Programme, the European Defence Agency and NATO;

15. Notes that, against the backdrop of the challenges posed by the recovery from the COVID-19 pandemic and the Russian aggression against Ukraine, the gap between the Member States in terms of their economic situations and capacities has widened; underlines the importance of ensuring that the most affected regions and countries adjust to the new circumstances so that no one is left behind;

16. Calls on the Bank to continue playing a major role in addressing investment gaps in sectors such as social housing, small utilities, public transport, sustainable transport, accessibility for persons with disabilities and education, while ensuring additionality and complementarity with other public funds and with commercial lenders;

17. Points out that investments in SMEs, education, research and development, efficient administration and local infrastructure are among the most effective ways of promoting growth;

18. Calls on the EIB to increase financing to boost the technological transition, provide SMEs with funds for long-term research and innovation, support the development of skills adapted to real labour market needs and promote investment in the digital skills of employees and entrepreneurs, digital infrastructure and capacity-building for digitalisation;

19. Welcomes the EIB's AAA rating with a 'stable' outlook from the three major credit rating agencies (Fitch, Moody's and S&P); reiterates that the Bank's AAA rating is necessary to ensure appropriate market sources of financing at preferential rates and that it must be preserved;

***The EIB's support in key policy areas – cohesion, infrastructure, digitalisation, SMEs, innovation and skills***

20. Notes that under the EU's current cohesion policy, for the 2021-2027 programming period, the EIB Group's contribution to economic, social and territorial cohesion continues to help countries and regions across the EU where development is uneven; draws attention to the fact that, in the context of the crises that EU countries are going through, the economic consequences have heightened disparities both between the Member States and internally within their regions, which makes it even more important to ensure that the most affected regions and countries can adjust to the new circumstances so that no one is left behind; welcomes the Bank's decision to start tracking, from 2023, the key performance indicator of lending to less developed regions, the target for which is 21 % in 2023, with the aim of reaching 23 % of total EU financing by 2025; reiterates its call for a fair and transparent geographical distribution of projects and investment, with a focus on less developed regions, especially in the health sector, innovation, digitalisation and infrastructure, with a view to promoting inclusive growth and economic, social and territorial convergence and cohesion; notes, in this context, that the EIB Cohesion Orientation paper for 2021-2027 increases the EIB Group's cohesion-related financing to approximately 40 % of intra-EU financing for 2022 (rising to 45 % by 2025), of which 20 % should be allocated to less developed regions; is aware that, in promoting social inclusion and development, equal opportunities and fair working conditions, the Group supports the relevant EU social policies and the European Pillar of Social Rights; notes that almost half of EIB lending in the EU in 2022 (46 %) was signed for projects in cohesion regions, underlying the Bank's support for equitable growth and convergence across the EU; calls for the EIB to be more active in addressing recurring shortcomings that prevent certain regions or countries from taking full advantage of the EIB's financial activities;

21. Believes that innovation is a driver of competitiveness, climate-change mitigation and economic and social development and that a significant structural gap persists in EU innovation and digitalisation investment; encourages the EIB to support digital transformation, to uphold strategic autonomy in the digital field and to promote digital infrastructure projects, to be integrated into standards and protocols that support network security and resilience, interoperability and an open, plural and secure internet; calls on the Bank to foster Europe's autonomy in key technologies and to back the technological transformation of European companies, which will have a major positive effect on jobs while accelerating digitalisation; calls on the Bank, furthermore, to support the strengthening of cybersecurity capacities in the EU, in order to make Europe more resilient and reactive in the face of cyberthreats, while bolstering existing cooperation mechanisms and protecting critical entities and essential services, such as hospitals and public utilities;

22. Is aware that EIB actions connect climate, innovation and development and recognises innovation and technology as key enablers of the transition to a net-zero emissions economy; believes that, to achieve the ambitious climate and digital targets, the EIB should maintain its strategy of supporting knowledge-driven and higher-risk activities that will generate greater additionality, and that greater risk-taking through 'special activities' will further enable the Bank to reach out to new clients and sectors, and to develop products that respond to shifting market dynamics and evolving market needs;

23. Points out that the Just Transition Mechanism is a key part of the European Green Deal and that it addresses the social and economic effects of moving towards climate neutrality; notes that the EIB Group's contribution to the Just Transition Mechanism provides an important bridge between the Group's two key cross-cutting policy objectives of climate action and cohesion; highlights the role that the EIB is called on to play in supporting the EU's economy via the Just Transition Mechanism; underlines that the EIB supports all three pillars of the Just Transition Mechanism; understands that, for all three pillars, the EIB's activity is demand-driven; welcomes the agreement signed in September 2022 between the Commission and the EIB on the public sector loan facility, the third pillar of the Just Transition Mechanism, which will finance public investments worth EUR 10 billion in EIB loans in the regions most affected by the EU's green transition; calls on the EIB to provide the potential beneficiaries from the most affected areas with advisory support to prepare and implement projects;

24. Stresses the importance of SMEs for the European economy and points out that the 23 million SMEs in the Union account for 99 % of all businesses and more than half of Europe's GDP, playing a key role in adding value in all sectors of the economy and providing around two thirds of all jobs; believes that SMEs have a major role to play in the inclusive transition to climate neutrality, the digital transformation of European industries and the competitiveness of EU entrepreneurs; notes the need to avoid any excessive new requirements that would create more bureaucracy for SMEs;

25. Welcomes the fact that, in 2022, the EIB provided financing amounting to a total investment of EUR 16,35 billion for SMEs and mid-caps; points out that in 2022, EIB Group financial support reached about 430 000 SMEs and mid-caps, which provided 5,3 million jobs;

26. Underlines the role of the European Guarantee Fund (EGF) in supporting companies, mainly European SMEs, and notes that, by 31 December 2022, the EIB's governing bodies had approved projects worth a total of EUR 23,54 billion (compared to EUR 23,2 billion in 2021), of which EUR 11,07 billion was EIB financing and EUR 12,47 billion was EIF financing, and that the resulting signatures had reached EUR 20,9 billion at the end of 2022 (the EIB accounting for EUR 10,3 billion and the EIF for EUR 10,6 billion); points out that this intervention is expected to mobilise a total investment of EUR 187,3 billion (compared to a total of EUR 174,4 billion at 31 December 2021); is aware of the temporary nature of this instrument and that the allocation period for EGF products was only extended until 31 December 2022, in the context of the measures to support the Union's recovery following the COVID-19 pandemic, and praises the timeliness of the EGF in helping to mitigate the pandemic's economic impact on businesses; notes the concerns expressed about the lack of transparency around the EGF's deployment (in particular, the decision-making process, the timely publication of financed projects and the identification of the final recipients); welcomes the fact that an evaluation of the EGF has been included in the EIB Evaluation Division's work programme for 2024 and expects it to provide an exhaustive analysis of the effective added value and impact of the EGF's deployment;

27. Believes that addressing the EU's major structural investment gaps requires the overcoming of both financial and non-financial investment barriers and the large-scale mobilisation and coordination of resources and capacities, in conjunction with technical and administrative capacity-building and a reduction in regulatory hurdles; calls for the strengthening of technical assistance for and the financial expertise of local and regional authorities, especially in regions with low investment capacity, before project approval, in order to improve access to EIB funding;

28. Acknowledges that targeting and implementing transformative investments via funds from the Recovery and Resilience Facility requires the improvement of technical and administrative capacity; observes that the EIB's operational analysis has identified market fragmentation along national borders, fragmented regulation, the limited capacity of public sector promoters and national budget constraints as major issues holding back investment projects; calls on the EIB Group to support the enhancement of administrative capacity by drawing on its operational experience;

29. Calls on the EIB Group to contribute to providing clarity and preserving incentives to advance Europe's transformation, to enhance the catalytic effect of public investment to crowd in investment by the private sector, to facilitate access to risk-absorbing financial instruments to help shield strategic investment by the private sector, to reduce unnecessary administrative barriers and to address the lack of technical skills, particularly for firms and municipalities in cohesion regions and for more complex green and digital objectives;

30. Underlines that EU farmers face increasing challenges, such as the need to adapt to the European Green Deal objectives, as well as the disruption caused by the effects of the energy crisis, rising inflation and the war in Ukraine; highlights that the agriculture, forestry and fisheries sectors are key players for growth and development in rural areas; calls on the EIB to provide better assistance to support these important sectors;

31. Reiterates its calls on the EIB to carry out due diligence in the preparation phase of all projects in order to include careful consideration and respect for human rights and indigenous communities, and to develop a clear human rights strategy that includes human rights risk and impact assessments;

### ***The EIB, climate and the environment***

32. Maintains that all of the EIB's financial flows should be fully consistent with net-zero emissions by 2050 at the latest, and with the EU's more ambitious climate objective for 2030; recalls that the climate transition must be inclusive and fair, that green investments must be viable and that the EIB is expected to leverage its lending, financial instruments, technical assistance and advisory services to support individuals and businesses facing socio-economic challenges deriving from the transition towards a carbon-neutral economy;

33. Is concerned that although investments to limit climate change are increasing, they are still well below what is needed to meet Europe's target of net-zero emissions by 2050; observes that, according to EIB analyses, even though EU climate investment has rebounded after dipping during the pandemic, the level of such spending needs to be stepped up considerably for the Union to meet its goals, with an additional EUR 356 billion a year compared to 2010-2020 being required to reach EUR 1 trillion of investment and succeed in reducing greenhouse gas emissions by 55 % by 2030;

34. Notes that green financing from the EIB increased to EUR 36,5 billion (58 % of the total) in 2022, exceeding the target of channelling at least 50 % of total financing to climate action and environmental sustainability well ahead of 2025; observes that the EIB has already backed EUR 222 billion in such investment over the past two years and encourages the EIB Group to further engage towards its objective of supporting EUR 1 trillion in green financing this decade;

35. Regrets the EU's diminished strength in the green technology area, where it has previously established itself as a leader; believes that the EU needs to increase its investments in more cutting-edge technologies, such as hydrogen technologies, and to enhance its efforts in the fields of sustainable mobility, smart grids, wind and solar power and energy storage;

36. Observes that the EIB Group signed a record amount in new financing for renewables, efficiency, storage and grids in 2022, with total EIB financing for sustainable energy projects inside the EU amounting to an unprecedented EUR 17,06 billion;

37. Appreciates the EIB's announcement at the 27th UN Climate Change Conference (COP27), held in Sharm El-Sheikh, Egypt from 6 to 18 November 2022, that the Group will support the Commission's REPowerEU plan with an additional EUR 30 billion in loans and equity financing by 2027, which will mainly be dedicated to renewables, energy efficiency, grids and storage, electric-vehicle charging infrastructure and breakthrough technologies, such as low-carbon hydrogen;



38. Welcomes the package of targeted financing approved by the EIB's Board of Directors on 26 October 2022, which is expected to mobilise up to EUR 115 billion of new investment by 2027, thus making a substantial contribution to the REPowerEU objective of ending dependency on Russian fossil fuels, in conjunction with the EIB's ongoing support for the energy sector in the EU, which has averaged around EUR 10 billion of financing per year over the past decade;

39. Underlines that the EIB Group Environmental and Social Policy strengthens the commitment to promoting and implementing the objectives of the Convention on Biological Diversity and the post-2020 Global Biodiversity Framework and that the EIB Environmental and Social Standards ensure that financed projects cause no significant harm to biodiversity and ecosystems; welcomes the move from 'no net loss' to 'no loss' of biodiversity, in line with EU policies;

### ***The EIB and energy security***

40. Underlines that Russia's illegal, unjustified and unprovoked invasion of Ukraine and the energy crisis have compounded existing supply constraints and that the ramifications of higher energy prices go beyond the direct hit to households and businesses, fuelling inflation and depressing demand, with the costs borne by Europe's households, businesses and governments;

41. Expresses gratitude for the EIB's condemnation of the military invasion of Ukraine by Russian troops; notes that, since the start of the invasion, the EIB has mobilised and disbursed EUR 1,7 billion in emergency relief for Ukraine, with the support of the Commission;

42. Is aware that the ability of European economies to absorb new shocks is complicated by the fiscal legacy of the pandemic; acknowledges that the strong fiscal policy adopted in response to the pandemic in 2020 and 2021 has shielded households and businesses from an extensive loss of income, and that such measures protected the productive capacity of the economy in a way that enabled it to rebound rapidly once COVID-19 restrictions were lifted; points out that the aforementioned fiscal support reallocated a large share of net wealth from the public to the private sector, increasing public debt and private savings, and that, following such actions, governments have less room for any fiscal manoeuvre to soften the impact of high energy prices on households and firms;

43. Recalls that the EIB can play an important role in fostering the development of the EU's industrial capacities by creating the right investment conditions to ensure the security of supply throughout the value chain, and in contributing to future European industrial leadership, thereby strengthening the EU's geopolitical weight;

44. Notes that over the past decade, the EIB Group has channelled more than EUR 100 billion into the EU's energy sector, investing in energy efficiency, renewables, grids and storage; observes that support is currently being provided to help the Member States in response to the crisis triggered by the abrupt cut in Russian gas supplies;

45. Notes the EIB Board of Directors' decision in October 2022 to raise the Group's clean energy financing volumes in support of the REPowerEU objective of ending Europe's dependency on Russian fossil fuel imports, pursuant to which an additional EUR 30 billion will be invested by 2027; believes that this decision should not result in a permanent loosening of the climate criteria that companies have to meet to qualify for support; recalls that the PATH Framework aims at ensuring that financed projects are aligned with the Paris Agreement and that operators comply by decarbonising their overall business activity and strengthening resilience to climate change, in keeping with the EIB's Climate Bank Roadmap; insists on the need to strengthen investments with an EU added value by supporting transnational cooperation projects in energy production and infrastructures;

46. Underlines that all investments that address the energy crisis, together with green and digital transition investments, should be implemented in an efficient and transparent way;

**EIF activities**

47. Notes that the EIF is part of the EIB Group and that its central mission is to support Europe's micro, small and medium-sized enterprises (MSMEs) by helping them to access finance; is aware that the EIF designs and develops venture and growth capital, guarantees and microfinance instruments that specifically target this market segment and, in doing so, the EIF contributes to the pursuit of key EU policy objectives such as competitiveness and growth, innovation and digitalisation, social impact, skills and human capital, and climate action and environmental sustainability;

48. Remarks that the EIF's most recent financing programme increases the volume of resources, from EUR 9,2 billion in 2022 to EUR 13,0 billion and EUR 13,5 billion respectively in 2023 and 2024; understands that the EIF plans to use the full capacity of the front-loaded InvestEU mandate in 2022 and 2023 by approving, by the end of 2023, 60 % of the InvestEU budget supported by NextGenerationEU and finalising the corresponding signatures by the end of 2024;

49. Observes that, in the course of 2022, 30 % of EIF financial support targeted sustainability and the green transformation and, in line with the EIB Group Climate Bank Roadmap ambition, 21 % – around EUR 2 billion – was channelled in pursuit of the horizontal objectives of climate action and environmental sustainability; underlines that the EIF has backed innovative enterprises in agri-tech, the blue economy, circularity and sustainable mobility, as well as helping traditional businesses and individuals to finance their climate investments;

50. Points out that, in 2022, the EIF provided over EUR 9 billion in funding for small businesses and green projects, with the aim of mobilising some EUR 97 billion in investments supporting climate neutrality, the digital transition of EU industries and the competitiveness of entrepreneurs in the EU;

51. Remarks that the EIF also maintained its focus on the horizontal cohesion objective, mainly through joint investment programmes in connection with the EIF-National Promotion Institutions Equity Platform and by directing 39 % of financing to entities in cohesion regions of the EU;

**Impact outside of the EU**

52. Is aware that, in its activities outside the EU, the EIB Group supports the objectives and priorities of the EU's external actions and deploys its expertise and experience outside the EU in priority areas such as climate action, health and digitalisation, EU values, and good governance principles;

53. Calls for the EU to further maximise the EIB's potential as a tool for leveraging the EU's strategic autonomy, particularly in terms of energy and raw materials, and for promoting the EU's external policy priorities in its relations with non-EU countries, in full compliance with the environmental and social due diligence process, as well as with strong coordination between the Commission, the EEAS and EU delegations to facilitate discussions and cooperation with relevant actors on the ground in order to identify projects that best meet development effectiveness objectives;

54. Appreciates the increased efforts since the establishment of EIB Global, yet encourages the EIB to be more proactive in furthering overall EU communication and visibility, especially as regards its work in the Global South; warns, however, that in the drive for visibility, grassroots projects should not be crowded out by larger ones, and stresses that local actors must be sufficiently involved;

55. Welcomes the start of operational activity on 1 January 2022 of EIB Global, established following the decision of the EIB Board of Directors in September 2021 and entrusted with all the EIB's activities in the enlargement region, the countries of the EU's Eastern and Southern neighbourhood, sub-Saharan Africa, Asia, Latin America, the Caribbean and the Pacific; understands that EIB Global is intended to be the main financing arm of Team Europe, operating beyond the EU, combining the firepower of the EIB, EU Member States and other investment institutions working in concert with the EU; welcomes, in that regard, the opening of the EIB offices in Pretoria, Kyiv and Belgrade, which will help EIB Global implement its mission; believes that EIB Global will make a key contribution to the goals of strengthening EU strategic autonomy and enhancing multilateral cooperation;

56. Reiterates its request for EIB Global to be centred on an equitable and sustainable agenda in recipients' countries, while demonstrating clear development;

57. Warmly welcomes the EIB's efforts and engagement in the Western Balkan countries and its EUR 835,2 million investment therein in 2022 through EIB Global, thus contributing to the EU's economic and investment plan for the region; notes that more than 80 % of the signed investments in 2022 went to environmentally sustainable projects; welcomes the fact that the EIB's investments in support of the sustainable green and digital transition of local economies in the region total EUR 2,5 billion since 2020; encourages EIB Global to continue to provide access to finance on favourable terms for businesses in the Western Balkans investing in accelerating the digital transformation and the implementation of digital infrastructure, the extension of the 5G telecommunications network, sustainable urban development, expediting the energy transition and ensuring energy efficiency, including renewable energy projects and climate-neutral projects; welcomes the launch of the guarantee for SME resilience under the Western Balkans enterprise development and innovation facility, to provide access to finance on favourable terms for some 4 000 small businesses in the region; highlights the importance of the budgetary control procedure as, according to the European Court of Auditors, EU financial support amounting to around EUR 700 million between 2014 and 2020 to promote the rule of law in the Western Balkans has had little impact on fundamental reforms;

58. Notes the EIB's efforts concerning the due diligence process for the social and environmental standards of its operations; encourages the EIB to further strengthen meaningful consultation of local populations throughout the implementation of projects, incorporate solid accountability mechanisms for the impacted communities and closely monitor, and report on, the shortcomings of its involvement and the role of its intermediaries in projects that have negatively impacted local populations in developing countries;

59. Expects EIB Global and its coordination mechanisms with other DFIs to be fully transparent; welcomes, in this context, the regular exchanges with the European Parliament in Brussels and most recently in Luxembourg, as well as the Bank's ongoing open dialogue with all stakeholders, in particular civil society organisations and local actors;

60. Encourages the EIB to continue to actively engage in developing planning, monitoring and evaluation methods and practices at country level, hand in hand with the EU delegations and national and local actors, and through co-financing with DFIs;

61. Praises the EIB's rapid action to support Ukraine immediately after the outbreak of the Russian war of aggression by disbursing EUR 1,7 billion in funds in 2022 under very difficult circumstances; notes that EUR 540 million remains to be disbursed as concrete projects on the ground progress; encourages the EIB to ensure its contribution through the EU for Ukraine initiative to keep Ukraine's economy afloat and support the country's reconstruction effort, in line with the mandate received on 15 December 2022 from the European Council;

62. Urges the EIB to ensure strict conditionality with regard to the financial assistance provided to Ukraine, including clear and comprehensive oversight over the spending of EU funds aimed for reconstruction and humanitarian aid; recalls, in that respect, the need for a systematic EU approach to improve the coordination of funds disbursement and enhance the monitoring of spending;

63. Is aware that, under the Decree of the President of Ukraine No 64/2022, since 24 February 2022 the military administrations have been responsible for exercising the powers of the relevant local state administrations, as well as in de-occupied territories, resolving issues related to the preparation, approval, amendment and implementation of the local budget, the management of property under communal ownership of the respective territorial community and, for short periods, adopting decisions on land development and the use of natural resources of local importance; believes that, in the current situation, the national management and audit authorities have limited resources and powers to ensure the standard level of transparency and adequate control over the financial resources deployed; urges the EIB to ensure participation of local people and democratically elected representatives of local self-government and to increase its oversight of implementing activities and pursue a strong monitoring role regarding the resources allocated in order to prevent them from being misappropriated or misused; calls on the EIB to establish its own monitoring and audit teams in Ukraine, which would ensure the accuracy of auditing data related to all EU-funded projects;

64. Calls on the EIB to coordinate and oversee coordination concerning funds from the EU for Ukraine initiative with the Commission, the World Bank and others within the G7 Donor Coordination Platform for Ukraine, as well as the Ukrainian regional and municipal authorities, in order to ensure the implementation of a collaborative approach to meeting Ukraine's urgent needs;

65. Remarks that, in addition to supporting Ukraine, EIB Global granted EUR 9,1 billion in new financing in 2022, bringing to EUR 10,8 billion the total volume of activity by this EIB subsidiary, which was launched in January 2022 to step up operations outside the EU;

66. Welcomes the EIB's financial and technical support for the Republic of Moldova, taking into account the country's energy dependency and vulnerability in the current geopolitical context; calls on the EIB to continue to support Moldova in accelerating its EU accession and its progress towards long-term energy autonomy and diversification;

67. Encourages EIB Global to pursue a stronger local presence by adapting products and business models to local needs and to cooperate more closely with partner institutions, in order to enhance the EU's development impact in Team Europe under the umbrella of the neighbourhood, development and international cooperation instrument– global Europe;

68. Welcomes the first financial agreement signed between the EIB and the UN's International Fund for Agricultural Development (IFAD), which will provide the IFAD with EUR 500 million in support of its programme to improve food security and reduce poverty in rural areas and to assist small-scale farmers in adapting to climate change;

69. Draws attention to the divergent views among the Member States about how to ensure the required financing and coverage from the EU budget in order to allow the Bank's continued engagement in Ukraine, which threatens to come to a halt if no solution is found; welcomes the EIB's EU for Ukraine initiative, which aims to help rebuild infrastructure, support priority investment needs and back business; encourages the Member States to ensure that solid support continues to be provided to the country in line with its needs; calls for ongoing, thorough analysis of the financial requirements for Ukraine's reconstruction and sustainable development, prioritising local needs, including an assessment of the war's impact on the environment;

70. Encourages the EIB (EIB Global), building on the establishment of its first regional hub in Kenya, to further strengthen its presence in the field in non-EU countries, while combining resources, where possible, and stepping up cooperation with other European and non-European actors, especially DFIs; calls for a concrete and strong development mandate for EIB Global, rooted in the reduction of inequalities and the eradication of poverty and in support of the Sustainable Development Goals; supports an increase in the guarantees granted to the EIB by the EU budget in order to allow the Bank to expand its activities in the Global South;

71. Encourages further cooperation and adaptation of the working methods and tools of the EIB, and particularly the EBRD, with regard to investment needs in Africa, in order to facilitate large-scale investments in the future, while at the same time maintaining EU support for smaller-scale local projects, ultimately contributing to the achievement of the goals of the 2030 Agenda for Sustainable Development;

72. Calls on the EIB to work more closely with the African Development Bank and to assess the possible advantages of establishing a joint subsidiary; underlines the need to finance long-term investments that foster sustainable development; encourages the creation of joint project and advisory hubs to provide effective contact points for local actors, as well as to improve local ownership for common development projects, in order to maximise development impact and efficiency; calls, in this regard, for support for local private sector development in Africa, especially by funding African MSMEs; encourages, likewise, closer cooperation with other regional development banks;

### ***EIB actions related to the COVID-19 pandemic***

73. Remarks that, in 2022, the EIB maintained its efforts to support actions to counter the pandemic; underlines that, in 2022, the EIB provided EUR 5,1 billion for health and life sciences projects that have benefited around 980 million people worldwide; appreciates the EIB's support for the global vaccine initiative COVAX, the international facility to ensure fair and universal access to COVID-19 vaccines, with the EIB having provided a total of EUR 900 million by March 2022 and then, in April 2022, pledging an additional EUR 1 billion to support COVAX;

74. Remarks that the COVID-19 pandemic had no negative impact on the quality of the EIB's loan portfolio thanks to its credit risk management strategy and the fact that the EIB continues to maintain a robust liquidity position despite the general context of uncertainty in global financial markets;

75. Remarks that, with regard to the pandemic, the EIB Group proved its flexibility in providing financial solutions to crisis situations and its ability to act in a complementary manner to the large-scale, longer-term EU response through NextGenerationEU and national support for public investment;

### ***EIB compliance, transparency and accountability***

76. Notes that, in line with good practices at other international financial institutions, the EIB Procurement Complaints Committee (PCC) is a specialised, independent committee mandated to handle procurement complaints that challenge the Bank's decisions on project procurement procedures under an EIB-financed project outside the EU; observes that, in 2022, the PCC received 18 procurement complaints, compared to 23 in 2021 and 31 in 2020, and that of these 18 complaints, 13 were procurement complaints submitted prior to the Bank's decision/non-objection (compared to 18 such complaints in 2021) that the PCC Secretariat redirected to the Bank's services in charge of the relevant projects for further follow-up, while the remaining five procurement complaints were submitted to the PCC following the Bank's non-objection to contract awards (the same number as in 2021) and were reviewed and decided on; observes that the PCC voted to uphold the Bank's non-objection for two of the complaints and to withdraw the Bank's non-objection in the remaining three cases;

77. Appreciates that the PCC, the Investigations Division and the Complaints Mechanism Division hold complementary roles within the Inspectorate General, which facilitate cooperation and communication to cover all possible allegations of prohibited conduct and procurement-related or non-procurement-related complaints; notes that, in 2022, the EIB complaints mechanism registered 54 new cases (compared to 64 in 2021 and 77 in 2020), handled 97 cases (107 and 137 respectively in 2021 and in 2020) and closed 53 cases (64 and 94 in 2021 and 2020); remarks that 68 % of the complaints registered in 2022 concerned environmental and social impact, while 20 % referred to matters related to the EIB's governance and administration;

78. Calls on the EIB to ensure that the complaints mechanism is accessible, effective and independent in order to detect and redress any possible human rights violations in EIB-related projects; notes that, in 2022, the EIB Investigations Division received 180 allegations (compared to 174 and 183 in 2021 and 2020), closing 147 such cases (as opposed to 204 in 2021 and 195 in 2020) and issuing 36 recommendations and opinions (45 in 2021 and 52 in 2020); highlights that 42 cases were reported to OLAF, of which 11 were also referred to the EPPO; observes that the number of cases where allegations are substantiated after investigation continues to decrease (17 cases substantiated out of 70 investigations opened in 2022, compared to the 17 cases substantiated out of 67 investigations opened in 2021 and the 37 cases substantiated out of 91 investigations opened in 2020);

79. Shares the view of the EIB Audit Committee on the need for enhanced monitoring, management and oversight of operational and technological risks, including cyber risks and other non-financial risks;

80. Notes that the Tripartite Agreement was renewed on 11 November 2021 by the EIB, the Commission and the European Court of Auditors; regrets the fact that the revised agreement does not offer the extensive solution called for by Parliament; welcomes, however, that the new agreement allows for greater access to and improved streamlining of audited EIB documents and clarifies the timeline for receiving necessary audit documentation, the format thereof and the rules on confidentiality, data protection, evidence collection methods and access to information; reiterates that the Court is expected to have full access to all the information related to EIB operations whose sole reason to exist is the implementation of EU policies;

81. Underlines the need for regular, structured dialogue between the European Parliament and the EIB, which could be enhanced through an interinstitutional agreement between Parliament and the EIB, in order to improve access to EIB documents and data under terms and conditions that would guarantee confidentiality and, where needed, compliance with the legal requirements; notes the EO's decisions on the EIB practice on disclosing environmental information (related to projects that it finances either directly, as in Case 1065/2020/PB, or through intermediaries, as in Case 1251/2020/PB), which should comply with the transparency obligations laid down by the Aarhus Convention with regard to systematic and active publication and disclosure on request; observes that the EO suggested changes in terms of the comprehensiveness of content, the timeliness of publication and the visibility of information and of the confidentiality requirements; understands that the EIB only agreed to implement some of the EO's suggestions; shares the EO's view that it would be in the public interest for the EIB to fully implement the suggested changes;

82. Calls on the Court of Auditors to fully scrutinise and regularly report on operations backed by guarantees from the EU budget, including operations of the EIB, addressing any shortcomings in its working methods that are currently preventing it from doing so;

83. Welcomes the EIB's policies and practices and its transparency, and calls for further improvements, in particular by implementing the recommendations formulated by the EO to 'take several transparency steps to enable the public to more easily see the potential environmental impact of the projects it finances';

84. Welcomes the establishment, announced in 2021, of a new system for following up and reporting on recommendations and opinions issued by the Investigations Division of the EIB; reiterates its request that the financial impacts of the cases that the division investigates be indicated in its future annual reports and that it go beyond a mere narrative description of the case studies in order to provide valuable insights enabling the extent to which financial interests are safeguarded to be assessed; recalls the importance of the EIB ensuring a clear evaluation of the financial, operational and reputational risks when deciding on whether an investigation is appropriate to that end;

85. Reiterates its regret that the EIB still does not fully disclose the details of the beneficial ownership of its clients; reiterates its calls for enhanced transparency regarding the EIB's operations through financial intermediaries such as commercial banks and investment funds, within the relevant legislative framework, including the General Data Protection Regulation, and for the definition of standard reporting obligations that can provide an adequate level of data and information; calls on the EIB to include contractual clauses concerning mandatory disclosures from financial intermediaries on lending activity;

86. Calls on the EIB to use the early detection and exclusion system and to take into consideration decisions on exclusion with regard to any person or entity applying for, selected for or receiving EU funds when it approves investments covered by financing coming from the EU budget;

87. Takes note of the updated codes of conduct for the EIB's Management Committee and Board of Directors of August 2021; welcomes the introduction of a longer cooling-off period for the members of the Management Committee (24 months instead of 12) and for the members of the Board of Directors (12 months instead of six); regrets, however, that there is no provision excluding vice-presidents from overseeing and taking decisions on operations in their countries of origin, and insists that this be addressed in the next revision; notes the EO's conclusions and decision in Case 1016/2021/KR, on how the EIB handled the application by a former vice-president to take up a position, within three months of leaving office, at an energy and utilities company that had received EIB loans; is concerned by the risk of conflicts of interest and by the inadequacy of the measures adopted by the EIB to mitigate the risk in the case in point; welcomes the revision by the EIB of the code of conduct for the members of its Management Committee, which addressed some of the concerns on the risk of conflicts of interest in the prospective future employment of members or recent former members; reiterates its call for the remaining shortcomings regarding the avoidance of conflict of interests to be addressed in the next revision of the Management Committee's code of conduct; asks the EO to monitor the implementation of the Management Committee's new code of conduct;

88. Understands that the EIB is following up on the recommendations issued by OLAF at the closing of several investigations focused on education allowances unduly granted to staff members of the EIB; expects the undue payments to be fully recovered and reiterates its request that the EIB report to Parliament on the outcome of its remedial actions;

89. Notes the steps taken by the EIB in recent years to improve the gender balance across its staff, in particular at management and senior officer levels; encourages the Bank to persist in its efforts to achieve a clearer gender balance within its organisation; observes that, at the EIB, by the end of 2022, women represented 44,5 % of the executive category (D/6; E/5; F/4), and, within this group, women represented 35,6 % of staff at senior officer level (D/6) and 44,3 % of staff at officer level (E/5), while at analyst/junior officer level (F/4), women represented 64,4 %; notes that, at the end of 2022, women represented 33 % of management staff (30,6 % at the EIB Group level), achieving the target set in the 2018-2021 strategy for diversity and inclusion;

90. Reiterates its call on the Bank to bridge the gap in salaries between the administrative and professional categories of staff; points out that the current situation and the rising costs of living in Luxembourg put significant pressure on administrative staff and, in the long term, could negatively impact staff members' well-being and the EIB's competitiveness in attracting the best-qualified staff;

91. Expresses concern about reports of non-transparent internal appointment procedures among managerial staff at the headquarters and in the external offices; calls on the Bank to ensure that all recruitment and internal mobility procedures are executed in compliance with the highest transparency and ethics standards;

92. Understands that the EIB is progressing in the internal discussion on the new approach on diversity, equity, inclusion and belonging, which will replace the strategy for 2018-2021, and encourages the Bank to adopt it without delay; reiterates its call on the EIB to ensure proper geographical representation, including at middle and senior management levels, and calls on it to publish, annually, a gender and nationality breakdown of middle and senior management positions;

93. Reiterates the need for more transparency when projects are implemented through financial intermediaries; recalls the importance of transparency also on internal decision-making procedures and on the environmental and human rights impact of projects throughout their implementation;

94. Takes note of the inquiry opened by the EO in March 2023 on transparency, the timely publication of information and public participation in the EIB's environmental and social decision-making; recalls that the EO issued clear recommendations in April 2022 for the EIB to adopt a more ambitious disclosure policy, which have still not been acted on;

95. Welcomes the EIB Group's strategy on gender equality and women's economic empowerment and its gender action plan; acknowledges that gender equality and, in particular, women's economic empowerment are part of the EIB's business model; calls on the EIB to further implement gender mainstreaming in all its operations in order to advance gender equality and inclusive development;

***Follow-up on Parliament's recommendations***

96. 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) impacts (economic, environmental and social) of its investment strategy and results achieved in contributing to the balanced and steady development of the internal market in the interests of the Union;
- (b) actions adopted to enhance the countering of misconduct, conflicts of interest, tax avoidance, fraud and corruption;
- (c) new measures to strengthen transparency and human rights due diligence;
- (d) measures to strengthen support for SMEs and eligible economic operators during the implementation of EU policies;
- (e) follow-up on the calls and requests adopted via the present resolution;

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97. Instructs its President to forward this resolution to the Council and the Commission and asks that the Council and the EIB Board of Directors hold a debate on Parliament's positions presented herein.

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