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

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The Committee on Budgetary Control adopted the own-initiative report by Viola VON CRAMON-TAUBADEL (Greens/EFA, DE) on the control of the financial activities of the European Investment Bank – annual report 2022.

The EIB's financial operations and performance

Members remarked 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. 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.

Also 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). The biggest share of financing was allocated in **Italy, France and Spain**.

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;

The EIB's support in key policy areas

Members noted 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. They reiterated their 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.

The EIB is called on to:

- be more active in addressing recurring shortcomings that prevent certain regions or countries from taking full advantage of the EIB's financial activities;

- 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;

- support the strengthening of cybersecurity capacities in the EU, in order to make Europe more resilient and reactive in the face of cyberthreats;

Members stressed the importance of **SMEs** for the European economy and pointed out that the 23 million SMEs in the Union account for 99 % of all businesses and more than half of Europe's GDP. The EIB provided financing amounting to a total investment of EUR 16.35 billion for SMEs and mid-caps.

On **energy**, the report noted 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. Support is currently being provided to help the Member States in response to the crisis triggered by the abrupt cut in Russian gas supplies.

Impact outside of 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. The EU is called on 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.

The EIB is urged to ensure strict conditionality regarding the financial assistance provided to Ukraine, including clear and comprehensive oversight over the spending of EU funds aimed for reconstruction and humanitarian aid. According to Members, there is a need for a systematic EU approach to improve the coordination of funds disbursement and enhance the monitoring of spending.

EIB actions related to the COVID-19 pandemic

In 2022, the EIB maintained its efforts to support actions to counter the pandemic. It provided EUR 5.1 billion for health and life sciences projects that have benefited around 980 million people worldwide.

EIB compliance, transparency and accountability

Members underlined 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, to improve access to EIB documents and data under terms and conditions that would guarantee confidentiality and, where needed, compliance with the legal requirements.

Members also welcomed 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.

The report regretted that the EIB still does not fully disclose the details of the beneficial ownership of its clients and called 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.

Members called on the Bank to bridge the gap in salaries between the administrative and professional categories of staff, improve gender balance and ensure transparency regarding recruitment.

Follow-up on Parliament's recommendations

Members called 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:

- the economic, environmental and social impacts 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;

- actions adopted to enhance the countering of misconduct, conflicts of interest, tax avoidance, fraud and corruption;

- new measures to strengthen transparency and human rights due diligence;

- measures to strengthen support for SMEs and eligible economic operators during the implementation of EU policies.