Financial activities of the European Investment Bank - annual report 2023

2023/2229(INI) - 05/02/2024 - Committee report tabled for plenary, single reading

The Committee on Budgets adopted the own-initiative report David CORMAND (Greens/EFA, FR) on the financial activities of the European Investment Bank - annual report 2023.

The 2023 annual report focuses on evaluation of main EIB funding activities with special emphasis on development of the EU Climate Bank, on crisis response to the war in Ukraine, activity of the EIB Global and delivery on key policy areas. The report also touches upon EIB's governance, transparency and accountability.

Overview of policies and operations

Members reiterated their call for a **capital increase** to enable the EIB to provide more long-term repayable financial support and innovative instruments.

The EIB is called on to support projects that deliver on the implementation of the European Pillar of Social Rights and the UN Sustainable Development Goals, and that enhance social inclusion and the reduction of inequalities in line with the environmental and social standards.

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

Members called on the Commission to develop a method of assessing the **green funding gap** in the EU and to assess the EIB's potential role in bridging this funding gap. They expect the EIB to leverage its lending, financial instruments, technical assistance and advisory services to support citizens and businesses that face socio-economic challenges deriving from their efforts to achieve climate neutrality by 2050 at the latest.

The EIB is invited to:

- support projects delivering affordable access to renewable energy, housing and public services, community-led initiatives and small projects with a particular focus on fighting energy poverty as a priority;

- increase its support to REPowerEU to EUR 45 billion in loans and equity financing for projects in the area of renewables, energy efficiency, grids and storage, electric-vehicle charging infrastructure, and breakthrough technologies over the next years;

- work only with financial intermediaries that have a credible decarbonisation plan;

- enhance its advisory expertise to the EU hydrogen ecosystem and market;

- continue to apply stringent animal welfare standards and applicable legislation, including for breeding activities and feed in fish farming;

- invest more in the critical raw materials supply (CRM) sector to enhance resilience in raw materials with a particular focus on the recycling of secondary raw materials, and to foster circular economy solutions to help diversify the supply.

Support for innovation, small and medium-sized enterprises and digitalisation

The committee underlined that supporting SMEs is a key objective for the EIB Group. It called for further support to SMEs, in particular for smaller financing projects. Members also called on the EIB Group to step up the investments in digitalisation, in the development of cutting-edge technologies such as AI, and in the upskilling and reskilling of workers that are essential for a strong industrial base.

Ukraine

While welcoming the EU for Ukraine initiative launched by the EIB in March 2023 to finance reconstruction and recovery in Ukraine, Members called for an increase in the guarantees granted to the EIB from the EU budget in order to allow the EIB to continue to deliver vital public and private-sector operations in Ukraine and to expand its activities in the Global South. The report also welcomed the EIB's efforts to prevent, deter and investigate fraud and corruption in relation to its projects in Ukraine.

In addition, the EIB is called on to enhance its support to the Strategic European Security Initiative and to the European defence industry, including SMEs, in particular to contribute to continued support for Ukraine.

EIB Global

Members expect EIB Global's activities to remain aligned with EU strategic interests and external policy objectives. They welcomed the EIB's involvement in the Global Gateway initiative, which will principally support investments in infrastructure and SMEs, thereby contributing to the EU's objective of enhancing its strategic autonomy.

The report expects EIB Global to:

- ensure that investments clearly are additional, create long-term positive impacts and benefit recipient communities, by safeguarding natural and cultural heritage, enhancing climate resilience, creating local jobs, raising living standards and alleviating poverty;

- contribute in a meaningful way to the EU target of 85 % of all new external actions supporting gender equality by 2025;

- take specific measures to include indigenous peoples, women, persons with disabilities and other vulnerable groups in consultations;

- further increase microfinance loans to women-led businesses, which still face discrimination in access to finance;

- collaborate with other bilateral and multilateral institutions to develop and apply common methodologies for development impact analysis, with a view to ensuring long-term positive impacts and added value.

Transparency and governance

Recalling that EIB funds are public money and that their use should always be subject to public scrutiny and accountability, the report invited the EIB to proactively publish, in a timely manner, more detailed information regarding projects.

The report also called for:

- 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 between Parliament and the EIB;

- an interinstitutional agreement between Parliament and the EIB to improve access to EIB documents and data;

- the EIB to strengthen its policy against tax fraud, tax evasion and tax avoidance, including by refraining from funding beneficiaries or financial intermediaries which have a proven negative track record.