


Basic information	
<b>2021/2203(INI)</b> INI - Own-initiative procedure	Procedure completed
Financial Activities of the European Investment Bank - annual report 2021	
<b>Subject</b> 8.40.07 European Investment Bank (EIB)	

Key players			
European Parliament	<b>Committee responsible</b>		<b>Rapporteur</b>
	<div>BUDG</div> Budgets		CORMAND David (Greens /EFA)
			Shadow rapporteur WINZIG Angelika (EPP) HEINÄLUOMA Eero (S&D) HOJSÍK Martin (Renew) VAN OVERTVELDT Johan (ECR) KUHS Joachim (ID) PAPADIMOULIS Dimitrios (The Left)
	<b>Committee for opinion</b>		<b>Rapporteur for opinion</b>
	<div>REGI</div> Regional Development		The committee decided not to give an opinion.
European Commission	<b>Commission DG</b>		<b>Commissioner</b>
	Financial Stability, Financial Services and Capital Markets Union		MCGUINNESS Mairead

Key events			
Date	Event	Reference	Summary
25/11/2021	Committee referral announced in Parliament		
17/05/2022	Vote in committee		

25/05/2022	Committee report tabled for plenary	<a href="#">A9-0165/2022</a>	<a href="#">Summary</a>
06/07/2022	Debate in Parliament		
07/07/2022	Decision by Parliament	<a href="#">T9-0298/2022</a>	<a href="#">Summary</a>
07/07/2022	Results of vote in Parliament		

Technical information	
Procedure reference	2021/2203(INI)
Procedure type	INI - Own-initiative procedure
Procedure subtype	Annual report
Legal basis	Rules of Procedure EP 55
Other legal basis	Rules of Procedure EP 165
Stage reached in procedure	Procedure completed
Committee dossier	BUDG/9/07477

Documentation gateway				
European Parliament				
Document type	Committee	Reference	Date	Summary
Committee draft report		<a href="#">PE719.761</a>	28/02/2022	
Amendments tabled in committee		<a href="#">PE730.057</a>	24/03/2022	
Committee report tabled for plenary, single reading		<a href="#">A9-0165/2022</a>	25/05/2022	<a href="#">Summary</a>
Text adopted by Parliament, single reading		<a href="#">T9-0298/2022</a>	07/07/2022	<a href="#">Summary</a>
European Commission				
Document type	Reference		Date	Summary
Commission response to text adopted in plenary	<a href="#">SP(2022)484</a>		27/09/2022	

## Meetings with interest representatives published in line with the Rules of Procedure

### Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency				
Name	Role	Committee	Date	Interest representatives
<a href="#">CORMAND David</a>	Rapporteur	<div>BUDG</div>	16/02/2022	CEE Bankwatch Network Counter Balance Greenpeace European Unit

## Financial Activities of the European Investment Bank - annual report 2021

The Committee on Budgets adopted the report by David CORMAND (Greens/EFA, FR) on the financial activities of the European Investment Bank – annual report 2021.

### **Context**

The EIB signed loans for approximately EUR 95 billion in 2021 and supported circa 430 000 small and medium-sized enterprises (SMEs) and mid-caps, which are the backbone of the EU single market. Following the Russian attack on Ukraine on 24 February 2022, the EIB's Board of Directors approved a EUR 668million Emergency Solidarity Package for Ukraine, followed by subsequent payments to the Government of Ukraine for the most urgent needs.

Moreover, during the coronavirus pandemic, the EIB signed around EUR 6.3 billion worth of loans as part of the COVID-19 response in the health sector. However, resources mobilised during the pandemic have been an attractive target for fraud and corruption, therefore the EIB should take the necessary measures to ensure that resources reach their intended beneficiaries.

### **General remarks**

The committee stressed the fundamental role of the EIB as the EU's public bank and the only international financial institution that is entirely owned by Member States and fully guided by EU policies and standards in supporting the social and economic recovery and targeting investments for attaining the EU's objectives and welcomed the EIB's record investment of almost EUR 95 billion of financing in 2021 and the bank's focus on the EU's long-term challenges of climate change, social cohesion and digital transformation.

As regards the current context in Ukraine, Members called on the EIB to work on action plans for incentivising EU direct investments in Ukraine, including new post-war economic and social projects, such as schools, social housing and hospitals. They suggested that a **reporting mechanism** should be urgently put in place to inform competent authorities about any and all assets held in European financial institutions by Russian and Belarusian natural and legal persons with links to the Putin and Lukashenka regimes, including in the EIB Group where relevant. They expect the EIB to **halt the involvement of any Russian direct or indirect partners** involved in investment projects, including through financial intermediaries.

The report welcomed the timeliness of the European Guarantee Fund to help mitigate the negative social and economic impacts of the COVID-19 pandemic, including by supporting SMEs. As of 31 December 2021, the EIB approved EUR 23.2 billion in European Guarantee Fund operations (95 % of the EUR 24.4 billion available), which represents about one third of what the EIB Group normally invests in a year.

### **Climate bank**

Members welcomed the fact that 43 % of lending in 2021 was climate and environment related – up from 40 % in 2020 – and applauded the intention to meet the climate lending target in 2022. They also welcomed the **EIB's increasing investments in energy in Europe**, rising from EUR 10 billion in 2018 to over EUR 14 billion in 2021 and called on the EIB, in the light of the recent geopolitical developments, to speed up and increase investments in the EU's energy security and to scale up lending for such projects to help quickly **reduce dependence** on energy and raw material imports from Russia and other third countries.

### **Biodiversity and sustainability**

Noting that Ukraine and Russia are major producers of **food crops** including wheat, corn and barley and that Russia and Belarus are major producers of **fertilisers**, Members regretted that the war may have major **spill-over effects on cross-border supply chains**, food and fertiliser prices, the affordability of food in the EU, and the security and affordability of food globally. In this regard, the EIB is encouraged to use its operations to facilitate the implementation of the goals of the European Green Deal, the farm to fork strategy and the biodiversity strategy for 2030, as well as all relevant and upcoming EU regulations on deforestation-free products and restoration stemming from these strategies.

### **NDICI – EIB Global**

While expressing its support for EIB Global, the committee expects EIB investments in third countries to be fully aligned with EU climate, biodiversity and social standards applicable to intra-EU lending and with EU external action policies, including investments made as an implementing partner in the Global Gateway initiative. It called on the EIB to increase its engagement in less developed countries and those experiencing conflict and extreme poverty. Moreover, Members called for **public consultation and full transparency** on the strategies linked to EIB Global with a particular focus on the role of recipient countries and **specific chapters on human rights due diligence**.

### **Transparency and governance**

Members reiterated their request for an interinstitutional agreement between Parliament and the EIB 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 organisation of hearings and economic dialogues. The EIB should **step up its reporting to Parliament** regarding its decisions, progress achieved and the impact of its lending activities, notably through regular structured dialogues.

### **Zero tolerance against fraud**

Members took note of the new anti-fraud policy and underlined the importance of inclusive cooperation when developing key anti-fraud policy tools. They are concerned that the EIB's policy on anti-money laundering and combating the financing of terrorism fails to address major shortcomings, namely the inclusion of the requirements from the EU's fourth Anti-Money Laundering Directive, in particular publication of 'know your customer' checks before any project is approved. They also deplored the lack of improvement in transparency standards, namely making the granting of direct

and indirect loans subject to publication by the beneficiaries of tax and accounting data of the beneficiaries and financial intermediaries involved in financing operations.

The EIB should be committed to strengthening its policy against tax fraud, tax evasion and tax avoidance, including by refraining from funding beneficiaries or financial intermediaries and from cooperating with financial partners with a proven negative track record.

The committee reiterated its call for the suspension of funding where local authorities have been notified and/or engaged in legal procedures against possible violations of the relevant legislation, at least until investigations and judicial processes at national level are concluded.

Lastly, Members welcomed the renewed tripartite agreement between the European Court of Auditors, the EIB and the Commission, which strengthens the court's auditing rights with regard to EU revenue and expenditure managed by the EIB, while paying due respect for existing data confidentiality provisions.

## Financial Activities of the European Investment Bank - annual report 2021

2021/2203(INI) - 07/07/2022 - Text adopted by Parliament, single reading

The European Parliament adopted a resolution by 484 votes to 52, with 41 abstentions, a resolution on the financial activities of the European Investment Bank – annual report 2021.

### ***General remarks***

Parliament stressed the **fundamental role of the EIB as the EU's public bank** and the only international financial institution that is entirely owned by Member States and fully guided by EU policies and standards in supporting the social and economic recovery and targeting investments for attaining the EU's objectives and welcomed the EIB's record investment of almost **EUR 95 billion of financing in 2021** and the bank's focus on the EU's long-term challenges of climate change, social cohesion and digital transformation.

Members stressed that Russia's military aggression against Ukraine has led to a serious humanitarian crisis and has had a profound impact on the economic and security situation in the Union and its neighbourhood, which should be reflected more widely in the EIB's investment and activity plans.

Parliament welcomed the EIB's approval, in response to Russia's invasion of Ukraine, of emergency measures in solidarity with Ukraine, including immediate financial support of **EUR 668 million to the Ukrainian authorities** through the acceleration of disbursements under existing loans and a commitment to accelerate disbursements of a further EUR 1.3 billion. It invited the EIB to develop action plans to **encourage EU direct investment in Ukraine**, including new economic and social projects such as schools, social housing and hospitals once the conflict has ended.

The EIB is asked to be very vigilant and to follow closely the new sanctions and measures decided by the Council. Members also expected the EIB to end the involvement of direct or indirect Russian partners in investment projects.

Parliament welcomed the EIB's support for more than **430 000 SMEs** employing 4.5 million people by 2021. However, it called on the EIB to provide additional growth capital to enable SMEs to expand their businesses. It welcomed the record EIB funding of EUR 20.7 billion to support innovation in 2021, including investment in digital transformation. It also welcomed the new policy document on cohesion activities, which commits the EIB to increase its lending so that by 2025, 45% of total lending in the EU-27 will be in cohesion policy regions and 23% in the least developed regions.

The resolution welcomed the timeliness of the European Guarantee Fund to help mitigate the negative social and economic impacts of the COVID-19 pandemic, including by supporting SMEs. As of 31 December 2021, the EIB approved EUR 23.2 billion in European Guarantee Fund operations (95 % of the EUR 24.4 billion available), which represents about one third of what the EIB Group normally invests in a year.

### ***Climate bank***

Members welcomed the fact that 43 % of lending in 2021 was climate and environment related – up from 40 % in 2020 – and applauded the intention to meet the climate landing target in 2022. They also welcomed the EIB's increasing investments in energy in Europe, rising from EUR 10 billion in 2018 to over EUR 14 billion in 2021 and called on the EIB, in the light of the recent geopolitical developments, to speed up and increase investments in the EU's energy security and to scale up lending for such projects to help quickly reduce dependence on energy and raw material imports from Russia and other third countries.

Parliament expects loans to **reduce the environmental impact of transport**, while improving the quality and affordability of the services provided, and expects no new loans to be granted that hinder transport decarbonisation or the transition towards more sustainable and affordable zero-emission mobility.

### ***Biodiversity and sustainability***

Noting that Ukraine and Russia are major producers of food crops including wheat, corn and barley and that Russia and Belarus are major producers of fertilisers, Members regretted that the war may have major spill-over effects on cross-border supply chains, food and fertiliser prices, the affordability of food in the EU, and the security and affordability of food globally. In this regard, the EIB is encouraged to use its operations to **facilitate the implementation of the goals of the European Green Deal, the farm to fork strategy and the biodiversity strategy for 2030**, as well as all relevant and upcoming EU regulations on deforestation-free products and restoration stemming from these strategies.

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Members reiterated their request for an **interinstitutional agreement** between Parliament and the EIB 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 organisation of hearings and economic dialogues. The EIB should step up its reporting to Parliament regarding its decisions, progress achieved and the impact of its lending activities, notably through regular structured dialogues.

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Members are concerned that the EIB's policy on anti-money laundering and combating the financing of terrorism fails to address major shortcomings, namely the inclusion of the requirements from the EU's fourth Anti-Money Laundering Directive, in particular publication of 'know your customer' checks before any project is approved. They also deplored the lack of improvement in transparency standards.

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