Follow-up to the European Parliament non-legislative resolution on Control of the financial activities of the European Investment Bank – annual report 2023

1. **Rapporteur:** KNOTEK Ondřej (PfE/CZ)

2. **References:** 2024/2052 (INI) / A10-0068/2025 / P10_TA(2025)0076

3. **Date of adoption of the resolution:** 06/05/2025

4. **Competent Parliamentary Committee:** Committee on Budgetary Control (CONT)

5. **Brief analysis/ assessment of the resolution and requests made in it:**

   The resolution highlights the fundamental role of the European Investment Bank Group (EIBG) in providing increasing support to ensure implementation of the EU priorities in areas such as sustainable energy and natural resources, innovation, digital and human capital, SME and mid-cap finance, as well as sustainable cities and regions social infrastructure. The Parliament focused on the main financial activities of the EIBG, paying special attention to the evolution of its role as the EU Climate Bank, activities of EIB Global, in particular the EIB's response to the war in Ukraine, and the delivery of key policies. The resolution also addresses the EIBG's governance, transparency and accountability, and examines issues related to conflicts of interest and the Ombudsman's recommendations issued following its inquiries into EIB disclosure policy and related requests for access to documents.

6. **Response to requests and overview of actions taken, or intended to be taken, by the Commission:**

   On the specific calls to the Commission mentioned in the resolution:

   InvestEU, the simplification of the multiannual financial framework, and the Recovery and Resilience Facility

   Paragraph 15**.** *Urges the Commission and the EIB, in its advisory role, to refrain from proposing new financing mechanisms based on the RRF model without taking corrective measures, including in the upcoming post-2027 multiannual financial framework*

   Commission reply: The Commission takes note of the Parliament's view and the specific issues of concern. The Commission does not share the view that the use of financing not linked to costs "inherently raises the risk of errors and double funding". As extensively laid out in the Recovery and Resilience Facility (RRF) Annual Reports, the RRF is implemented with sound control systems in place. While the European Court of Auditors (ECA) does not publish an error rate on the RRF, the Commission recalls that the estimated financial impact of findings on the RRF is close to the materiality rate. The Commission refers to chapter 11 of the ECA's Annual Report on the 2023 expenditure and notably the detailed explanations in the Commission's reply to that report as regards the RRF. For the next MFF 2028-2034,The Commission has proposed [1] a system of payments under the national envelopes conditional to the fulfilment of investment and reform milestones and targets linked to agreed priorities, building on a multi-level governance structure that is expected to provide for the highest standards of oversight and accountability.

The EIB's activities outside the EU

Paragraph 63. *Calls on the EIB and the Commission to invest in internal audit and independent control functions to guarantee the integrity and soundness of all operations*

Commission's reply

The evaluation of the European Union's External Financing Instruments (COM (2024)208 final of 15.05.2024) highlighted the catalytic effect of the European Fund for Sustainable Development Plus (EFSD+) in mobilising additional finance and its alignment with the Global Gateway strategy. The mid-term evaluation also confirmed that the programme has overall shown to be fit for purpose. The EFSD+ guarantee is implemented in indirect management through implementing partners, which, as a rule, also contribute to the support to be provided to final recipients. They are required to report to the Commission in line with the NDICI-Global Europe Regulation and the Financial Regulation on a regular basis. For monitoring, they are required to apply their own rules and procedures, which have been assessed in accordance with Article 157 of the Financial Regulation ('pillar assessment') to meet the requirements laid down therein. The financing and investment operations in the context of EFSD+ are carried out according to the implementing partners' standard rules of procedure and sound banking practice. The Commission receives annual audited financial statements and activity reports covering the operations from the implementing partners.

Paragraph 68. *Encourages the Commission to maximise cooperation with the EIB to leverage the EU's strategic autonomy, particularly on energy and raw materials*

Commission's reply

The Commission is convinced that the cooperation with the EIB is crucial for ensuring the EU's economic security and resilience, reducing dependency on third countries, diversifying EU's supply

[1] COM(2025)570 final.

sources, securing the green and digital transition, and supporting the development of resilient and innovative European industrial ecosystems.

The Commission and the EIB already collaborate to strengthen strategic autonomy in energy and critical raw materials (CRM) sectors. The use of the InvestEU guarantee allows the EIB to support critical raw materials projects in the EU and it has used it in the past. In the past years the EIB has strengthened their involvement in critical raw materials and in March 2025 adopted a new critical raw materials strategic initiative, which includes an expected EUR 2 billion financing for critical raw material investment per year, a new CRM Task Force and a dedicated one-stop shop to build and manage a pipeline of CRM operations and advisory activities and increased technical expertise and partnerships. The Commission very much welcomes this new initiative. The use of EU external action instruments, such as NDICI–Global Europe and EFSD+ guarantees, enables both the Commission and the EIB to jointly support the energy transition, to identify specific projects and develop CRM value chain projects in third countries, diversifying EU supply sources and strengthening partnerships with like-minded countries.

The Critical Raw Materials Act includes a strong investment dimension, with the EIB Group as a core partner in the sub-group on financing coordination in the European Critical Raw Materials Board, encouraging the EIB to provide long-term financing for CRM projects along the entire value chain. The EIB has already supported several CRM projects, strengthening strategic industrial capacity.

The Commission is enhancing its strategic planning for example by (i) establishing dedicated coordination platforms for strategic autonomy sectors, involving Commission services and the EIB; (ii) expanding the use of tailored EU budget guarantees (under EFSD+) to de-risk high-impact investments in strategic sectors; (iii) reinforcing the Global Gateway impact, by prioritising funding for strategic partnerships with resource-rich countries and co-financing projects with EIB Global that ensure diversified and sustainable access to CRMs and renewable energy; (iv) leveraging the EIB technical assistance more systematically, to help project promoters - especially in non-EU partner countries with lower institutional capacity - develop bankable projects in energy and CRM value chains. This remains a key enabler of the EU’s strategic autonomy.

The EIB accountability architecture

Paragraph 82. *Notes that the EIB Exclusion Policy provides for an autonomous exclusion process that is not fully equivalent to the Commission’s Early Detection and Exclusion System in terms of decision-making standards, results and remedies; reiterates its call on the EIB Group and the Commission to cooperate in identifying the potential gaps and proposing remedies, including an expedited procedure to enforce EIB exclusion decisions via the Early Detection and Exclusion System.*

Commission's reply

The Commission notes that it is not bound by exclusion decisions which the entrusted entities adopt pursuant to their own internal rules. Therefore, the Commission is not obliged to enforce EIB exclusions as such, but those might be used as relevant facts and findings for Early Detection and Exclusion System (EDES), if the entity has a link to the EU budget. In this case, the Financial Regulation adopted in 2024 (Article 138(8) and recital 122) establishes the possibility for the EDES Panel to issue its recommendations by means of an **expedited procedure** (Art. 138(8) FR) if the circumstances or the nature of the case requires. This may include situations where *a sanction equivalent to an exclusion has been already imposed on the person or entity by virtue of a decision of international organisations* or organizations that have been considered to apply an equivalent sanction procedure under Article 157 of the Financial Regulation such as the EIB. The observation regarding the numbers of exclusions published by EIB, refers to the EIB's autonomous exclusion list that may not necessarily be reflected in the EDES database, given that not all the entities necessarily have a link to the EU budget.

Paragraph 92 [as regards Northvolt AB financial situation] *calls on the Commission and the EIB Board of Directors to launch an in-depth internal review without undue delay to verify the financial damage, the reasons for and the background to the failure of this flagship project and to learn from this experience in order to prevent the recurrence of a similar situation or enable the early detection thereof.*

Commission's reply

The Commission is closely following Northvolt AB's situation. The Commission will pay attention to the future of specific assets that could still have a real added value for the European value chain. The case will allow the Commission to draw lessons for a competitive and resilient battery industry in Europe.

Budgetary guarantees are provisioned from the outset so that occasional losses, the occurrence of which is inherent to the nature of risk-sharing instruments supporting high-risk investments in key policy areas, do not impinge on the relevant programmes and their capacity to provide substantial leverage in supporting EU policy priorities. The Commission is in close contact with the EIB to ensure that the guarantee concerned is managed in accordance with established terms and risk management frameworks, as well as market practice. The insolvency proceedings have not yet concluded.

Paragraph 93. *Maintains that the greatest added value of EU support lies in fostering higher-risk investments in innovative projects, scaling up EU strategic goals and enabling long-term transition projects that cannot get funding from the private sector; believes that to effectively pursue its targets in innovation and competitiveness, the InvestEU programme should focus on financing* *higher-risk and more scale-up investment and that the EIB Group should take on more and larger high-risk projects, which should involve primarily and preferentially European investors, combining a more risk-absorption-oriented deployment of InvestEU resources with an equivalent orientation in the use of the EIB Group's own financial resources; urges the EIB to introduce stricter conditions to prevent EU public financing from being used to subsidise companies relocating production outside Europe, ensuring that all EIB-funded projects contribute to long-term European industrial resilience;*

Commission's reply

The InvestEU interim evaluation showed that the Programme has provided **clear added value,** and the EU budget guarantee features high additionality. InvestEU Implementing Partners can engage with higher-risk counterparts, deploy riskier financial products or conditions and finance activities with inherently higher risk, enabling investments that could not otherwise secure market financing on reasonable terms. InvestEU was instrumental in supporting high equity financing (venture capital, venture debt, private capital) across the EU, from early stages to growth and scale-up.

Demand for InvestEU products has significantly exceeded expectations, particularly in areas such as innovation, artificial intelligence, and digitalisation, all of which are crucial for maintaining Europe's competitiveness. High-risk investments supported by InvestEU guarantee can be carried out directly by Implementing Partners through venture debt and/or thematic products. The Implementing Partners of InvestEU (including the EIB Group) can provide both indirect and direct equity. For example, InvestNL is the first Implementing Partner directly investing in equity for start-ups in the area of venture capital. Overall, InvestEU resources have been used efficiently in a balanced mix of higher and lower risk products. Products such as InvestNL's direct equity and the EIB's venture debt/quasi-equity channelled capital flows into high-potential sectors, catalysing their development and deployment. InvestEU is thus not only supporting immediate investment needs but laying the ground for the EU's long-term competitiveness. Challenges remain, but continued collaboration between the Commission and the Implementing Partners is expected to put InvestEU in a strong position to mobilise significant additional volumes of public and private investment, further supporting economic development across Europe.