

EUROPEAN INVESTMENT BANK

CA/547/21
13 October 2021

PV/21/08

BOARD OF DIRECTORS

Minutes of the meeting held in Luxembourg and via video/phone conferencing
on Wednesday, 15 September 2021

Parts of this document that, at the time of the meeting, fall under the exceptions for disclosure defined by the EIB Group Transparency Policy, notably under articles 5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...]*

Those attending

Chairman:

Mr W. HOYER

EIB Vice Presidents:

Messrs
Ms A. FAYOLLE
Ms L. PAVLOVA
Mr T. ÖSTROS
Ms T. CZERWIŃSKA
Messrs C.K. THOMSEN
R. MOURINHO
K. PEETERS

Directors:

Messrs K.J. ANDREOPOULOS
L. BARANYAY
Ms S. BELAJEC
Ms A. BLONDY-TOURET
Ms A. BJÖRNERMARK
Messrs P. CARTAXO
D. CARVILLE
P. DEBATTISTA
M. DESCHEEMAECCKER
A. EBERHARDS
P. FRÖLICH
A. GYÖRGY
A. JACOBY
K. KAKOURIS
A. KUNINGAS
Ms N. MARIN
Mr P. PAVELEK
Ms M. PETROVA
Mr E. RUIZ DE VILLA SAIZ
Ms K. RYSAVY
Ms K. SARJO
Mr M. SCHULTE
Ms J. SONNE
Mr T. WESTPHAL

Expert Members:

Mr J. LEOPOLD

Alternate Directors:

Ms A. af URSIN
Ms G. BEREMSKA
Ms S. BLOMENHOFER
Ms R. CAETANO
Ms B.F. CUCU
Ms I. GARAYO ORBE
Ms U. GRMEK
Ms L. HALBRECQ
Messrs R. HŘEBÍK
H. KAELBLE
M. KLINGE
Ms P. MAMO
Mr N. MANTZOUFAS
Mr M. MARQUES
Ms F. MERCUSA
Mr D. O'LEARY
Ms E. PITTA

Messrs	M.	POLÓNYI
	C.	REININGER
Ms	L.	STEINS
Messrs	M.	TABACZAR
	S.	TABARIÉ
	D.	TRAKELIS
Ms	S.	VALTONEN
Ms	A.	ZITCERE
Ms	A.	ZORIĆ

Alternate Expert
Members:

Mr	A.	OPORTO
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Secretary:

Ms	M.	FALKSTEDT
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Absent:

Ms	L.	BRETON-MOYET
Mr	G.	GOBBI
Ms	I.	HENGSTER
Ms	T.	LINDBERG
Messrs	P.	PATKOWSKI
	S.	SCALERA

The chairman declared the meeting open at 10.05 a.m.

1. Quorum

The chairman recorded that there was a quorum.

2. Agenda and declaration of conflicts of interest

The agenda (Doc. 21/491) was adopted.

No conflicts of interest were declared.

3. Approval of minutes of previous meeting
(CA/545/21)

The board of directors agreed to give a new review to Annex 2 of the minutes of the meeting held on 22 July 2021 (PV/21/07) in order to better respond to comments made by Ms Rysavy and circulate a new version that can be approved by the board.

4. Statements by the chairman

The chairman briefed the board of directors on a number of relevant issues.

5. Update on strategic issues

The chairman provided an update on the EGF, the First meeting of the Climate and Environment Advisory Council (CEAC), the business plan implementation at Group level and InvestEU.

General Questions

6. Monthly Update on the European Investment Fund (Doc 21/535)

The board is informed that following 2021 COP Mid-Year Review, a new reduced COP delivery target was approved. Given the stock of approved and not yet signed volume, the speed of the deployment is expected to accelerate during the last 4 months of the year. In addition, the pipeline remains solid providing a level of comfort in reaching the planned targets.

Regarding the latest developments on the EGF mandate, the EIB Group has been working with DG COMP on a number of adjustments to the EGF State Aid decision. EGF Member States are also reviewing final state aid notification package for the amendment of terms for facilitating the deployment of EIF guarantee instruments.

As per the capital increase, a breakdown of shareholdings and an update on the subscription status as of 3rd of September was shared with the board. Also in the context of this capital increase, the EIF General Meeting approved in July certain amendments to the EIF Statutes and Rules of Procedures, as authorised by the board earlier in March.

Fitch, Moody's and DBRS have all issued the rating reports confirming the EIF AAA rating and stable outlook. All the rating agencies have recognized the exceptional capitalization, the very strong shareholders support and liquidity, and that the EIF remained resilient to pandemic shock.

Finally, the board approved a number of Group policy proposals, in the risk management and compliance areas, facilitating greater alignment at Group level and a common approach towards matters of operational and strategic importance. The Group Alignment Implementation Plan is therefore making progress and the board will receive further update in November.

The chairman concluded the discussion and recorded that the board of directors took note of the Monthly Update on the European Investment Fund.

7. [...]

8. ELM 2014-2020 Third Reallocation between Regions and Potential Fourth Reallocation between Regions (Doc 21/523)

The Bank introduced the item that was already discussed in the July board meeting but not submitted for approval, since the outcome of the European Commission internal decision procedure was still pending. Following the positive outcome of the said internal procedure, the item was now presented for approval.

It was recalled that the board previously approved two External Lending Mandate (ELM) 2014-2020 reallocations within and between regions in its meeting in June and December 2020. This third reallocation would contribute to maximise the use of the remainder of ELM by supporting operations in the Southern and Eastern Neighbourhood and in Asia, where the Bank received two urgent requests for COVID-19 support from the government of the Maldives and Mongolia. It was also clarified that the available space in Pre-accession was due to the past reduction of EIB's activities in Turkey, but not in the Western Balkans where the EIB is building up a solid pipeline of operations in different priority sectors. The Bank also explained that a fourth reallocation was envisaged at the end of the year to adjust the final regional ceilings to the exact amounts to be signed under ELM, after consultation with the European Commission. Due to the technical nature of this fourth reallocation, the board was invited to exceptionally delegate its approval to the Management Committee with a view to shorten the decision-making process.

In the ensuing discussion, the board stressed the importance to increase the Bank's level of activity in Latin America in light of the crucial needs in the region. The Bank provided clarification on the current EIB activity in Latin America, mentioning the COVAX operation in Argentina.

The chairman recorded that the board of directors approved the External Lending Mandate 2014- 2020 third reallocation between regions and a delegation to the Management Committee for a potential fourth reallocation between regions.

9. Just Transition Mechanism – Public Sector Loan Facility – Key Terms
(Doc 21/519)

The Bank introduced the item, which is a top priority on the European Commission's agenda as well as on the EIB Group's Climate Bank Roadmap and Just Transition Strategy currently under finalisation. Over the next Multiannual Financial Framework (MFF) period, the Bank, as the sole implementer of Pillar 3 under the Just Transition Mechanism, shall provide up to EUR 10bn lending on the basis of EUR 1.5bn of EU grants. It is expected to mobilise between EUR 18bn and EUR 20bn of public investments in just transition regions or in investments with impact on those regions. The Bank then referred to some identified delivery constraints and updated the board on ongoing negotiations with the European Commission concerning the implementation of the mandate, in particular on intermediated lending. The Bank also emphasized the full cost coverage of the mandate over its lifetime and explained that the communication on the EIB lending target, which was not a legal requirement, may be adapted during the mandate implementation.

In the subsequent exchanges, the board inquired whether the concession of the loan might be conditional to the grant approval. Therefore, the Bank provided further clarification on the implementation of the grant component of the loan highlighting that, in any case, the Bank's prior approval of the loan is the main criteria for being eligible to the Public Sector Loan Facility (PSLF) grant. The PSLF grant is not a condition precedent for EIB signature, but an important parameter in the appraisal. However, it would be unlikely that a loan is contracted without the grant element, unless the promoter has access to other source of grant financing (in this case, the EIB loan would be outside the PSLF mandate).

The chairman recorded that the board of directors approved the key terms of the new mandate Public Sector Loan Facility under the EU's Just Transition Mechanism (JTM) to be implemented by the EIB.

10. Mandate Creation - Recovery and Resilience Facility Financial Instruments and Recovery and Resilience Facility Greece and Italy
(Doc 21/521)

Regarding the creation of the referred mandate, the Bank explained that the Recovery and Resilience Facility (RRF) is a key component of NextGenerationEU and a cornerstone one-off recovery instrument designed to mitigate the economic and social impact of the COVID-19 pandemic in the EU. Supporting the RRF implementation would reinforce the role and credibility of the EIB Group as a strategic partner of EU Member States and the European Commission also in the development of crisis recovery instruments.

Despite welcoming the initiative whose aim is to address a market gap while increasing impact, the board raised some concerns about the numerous mandates the Bank is already contributing to.

Reacting to comments from board members, the Bank confirmed that the implementation deadline would be respected and that all investments would be made to final recipients by August 2026.

The Bank also provided further clarification on cost recovery and remuneration of financial intermediaries.

The chairman recorded that the board of directors approved the creation of the Recovery and Resilience Facility Financial Instruments umbrella mandate, as well as the creation and set-up of the Recovery and Resilience Facility in Greece and in Italy.

11. Alternative Fuels Facility – Key Terms
(Doc 21/524)

The Bank presented the facility, a continuation of the CEF Transport Blending Facility, which successfully ended its implementation in March 2021 and which would support the EIB's enhanced climate commitments under the Climate Bank Roadmap. The Alternative Fuels Infrastructure Facility is an open access EU blending facility, which provides EIB and other Implementing Partners with the possibility to combine grant and loan-financing components. The Bank also presented the key features and main objectives of the proposal.

The chairman recorded that the board of directors approved the key terms of the new mandate Alternative Fuels Infrastructure Facility (AFIF) to be implemented by the EIB for the entire MFF period and took note that the initial mandate agreement would cover the period until 2023, with the possibility of extension provided the mandate shall remain governed by substantially the same key terms.

12. Technical Assistance for Regions undergoing a Green Energy Transition (TARGET) – Contribution Agreement for 2021-2027
(Doc 21/525)

The Bank introduced the item concerning the creation of a new joint EC-EIB technical assistance Facility to be dedicated to support the energy transition of Coal+ Regions for the years 2021 to 2027. The main objective of the TARGET Facility is to provide the upstream support for the identification and preparation of clean energy and energy efficiency projects and to help create investments and sustainable jobs on the ground by moving away from coal-based activities. The Bank provided additional details on the role of the Bank and the European Commission in the implementation of the Facility.

The chairman recorded that the board of directors approved the establishment of the new Facility, Technical Assistance for Regions Undergoing a Green Energy Transition (TARGET), and the signature of the TARGET contribution agreement for 2021-2027.

13. Evaluation of EIB support for climate change adaptation (2015-2020)
(Doc 21/526)

Finally, on this item, the Bank mentioned that the independent evaluation provides an assessment of barriers and opportunities for increasing support to adaptation.

The Inspector General reminded the importance of this evaluation in the current context and, especially, in light of the extreme climate related events that occurred over the summer across Europe and referred to its relevance for the Bank given its positioning as the EU Climate Bank where adaptation plays a key role. The evaluation concluded that, while the Bank was already successfully supporting mitigation projects, it could improve its level of adaptation support. He explained that the Bank accepted the five recommendations issued and was already preparing an Action Plan with specific steps to address them efficiently.

In the ensuing discussion, the Bank provided clarification about the share that climate adaptation projects represent in its current business while also referring to the resource intensive process on the promoter side for the implementation of such type of project. The board then invited the Bank to reflect on new type of public infrastructure projects within and outside the EU and indicated that it would welcome more details on the cost estimations for future discussions on the climate adaptation strategy.

The chairman recorded that the board of directors took note of the Evaluation of the EIB support for climate change adaptation (2015-2020) including the Management response.

Operations

The board of directors considered and discussed in session the following proposals on the agenda:

Operations within the European Union

BALTIC SEA AND NORTHERN EUROPE DEPARTMENT

14. [...]

15. [...]

FRAMEWORK LOAN

16. CLIMATE ACTION PROGRAMME LOAN AUSTRIA (AT, Regional-EU countries)
(Doc 21/517)

Borrowers	:	Financial Intermediaries in Austria	
Max. amount	:	EUR 300m	
Opinion of the Government of the Republic of Austria			No objection
Opinion of the Commission			Favourable

The chairman recorded that the board of directors approved the financing proposal.

IBERIA DEPARTMENT

INVESTMENT LOAN

17. ATLAS IBERIA RENEWABLE ENERGY GREEN LOAN Project (ES, PT)
(Doc 21/534)

Borrowers	:	Special Purpose Vehicles and/or Acceptable Banks	
Max. amount	:	EUR 400m	
Opinion of the Government of the Kingdom of Spain and the Portuguese Republic			No objection
Opinion of the Commission			Favourable

The chairman recorded that the board of directors approved the financing proposal.

GUARANTEE

18. BBVA ENHANCED SUPPORT TO SMEs and MID-CAPS II (ES)
(Doc 21/527)

Beneficiary of the guarantee	:	Grupo Banco Bilbao Vizcaya Argentaria S.A.	
Max. amount	:	EUR 350m	
Opinion of the Government of the Kingdom of Spain			No objection
Opinion of the Commission			Favourable

The chairman recorded that the board of directors approved the financing proposal.

WESTERN EUROPE DEPARTMENT

INVESTMENT LOAN

19. GAL LAFAYETTE DIGITAL TRANSFORMATION Project (FR)
(Doc 21/528)

Borrower : Société Anonymes des Galeries Lafayette
Max. amount : EUR 65m
Opinion of the Government of the French Republic : No objection
Opinion of the Commission : Favourable

Following exchanges among the board members, the chairman suggested that the project draft might be subject to reconsideration for further resubmission to a subsequent board meeting.

20. [...]

Operations outside the European Union

EQUITY, NEW PRODUCTS AND SPECIAL TRANSACTIONS DEPARTMENT

EQUITY TYPE

21. EMCAF EMERGING MARKET CLIMATE ACTION FUND (Regional – Africa, Regional – Asia, Regional Latin America)
(Doc 21/530)

Fund manager : Allianz Global Investors
Max. amount : EUR 50m
Opinion of the Commission : Favourable

The chairman recorded that the board of directors approved the financing proposal.

22. JASMINE PRIVATE MARKET FUND I (Regional – Asia)
(Doc 21/518)

Fund manager : JI Capital Partners Pte Ltd
Max. amount : USD 30m (approximately EUR 25m)
Opinion of the Commission : Favourable

The chairman recorded that the board of directors approved the financing proposal.

GLOBAL PARTNERS DEPARTMENT

INVESTMENT LOAN

23. ARGENTINA VACCINE PURCHASE Project (Argentina)
(Doc 21/531)

Borrower : Republic of Argentina
Max. amount : USD 100m (approximately EUR 85m)
Opinion of the Commission : Favourable

The chairman recorded that the board of directors approved the financing proposal.

24. SOUTH ASIA PUBLIC HEALTHCARE COVID-19 Programme Loan (Bangladesh, Sri Lanka, Nepal, Bhutan, Maldives and Pakistan)
(Doc 21/532)

Borrowers : State Governments of the before-mentioned countries of South Asia
Max. amount : EUR 425m
Opinion of the Commission Favourable

The chairman recorded that the board of directors approved the financing proposal.

NEIGHBOURING COUNTRIES DEPARTMENT

FRAMEWORK LOAN

25. MOLDOVA ROADS IV Framework Loan (Republic of Moldova)
(Doc 21/533)

Borrower : The Republic of Moldova
Max. amount : EUR 150m
Opinion of the Commission Favourable

The chairman recorded that the board of directors approved the financing proposal.

Miscellaneous

26. Date of the next meeting:

The chairman announced that the next meeting would be held on Wednesday, 13 October 2021, starting at 10.00 a.m.

The chairman declared the meeting closed at 3:40 p.m.

Annex 1: Proposals submitted by written procedure
[...]

PROPOSALS SUBMITTED BY WRITTEN PROCEDURE

The chairman recorded the approval by the board of directors, during the period since the previous meeting on 22 July 2021, of the following operations submitted by written procedure:

Operations within the European Union

Approval on 03/09/2021

ADRIATIC SEA DEPARTMENT

FRAMEWORK LOAN

- i. PORTS OF GENOA – NEW INVEST PROGRAM Framework Loan (IT)
(Doc 21/495)
- | | | | |
|---|---|---|--------------|
| Borrower | : | Autorità di Sistema Portuale del Mar Ligure Occidentale | |
| Max. amount | : | EUR 300m | |
| Opinion of the Government of the Italian Republic | | | No objection |
| Opinion of the Commission | | | Favourable |

BALTIC SEA AND NORTHERN EUROPE DEPARTMENT

INVESTMENT LOAN

- ii. [...]
- iii. [...]
- iv. [...]
- v. BOS BANK LOAN FOR SME MID-CAPS AND CLIMATE ACTION (PL)
(Doc 21/504)
- | | | | |
|---|---|----------------------------|--------------|
| Borrower | : | BANK OCHRONY SRODOWISKA SA | |
| Max. amount | : | EUR 150m | |
| Opinion of the Government of the Republic of Poland | | | No objection |
| Opinion of the Commission | | | Favourable |
- vi. S6 TRI-CITY RING ROAD Project (PL)
(Doc 21/509)
- | | | | |
|---|---|-----------------------------|--------------|
| Borrower | : | Bank Gospodarstwa Krajowego | |
| Max. amount | : | EUR 240m | |
| Opinion of the Government of the Republic of Poland | | | No objection |
| Opinion of the Commission | | | Favourable |

CENTRAL AND SOUTH EASTERN EUROPE DEPARTMENT

INVESTMENT LOAN

- vii. ENERGY EFFICIENCY HOME RENOVATION – GREEN LOAN Project (HU)
(Doc 21/505)
- | | | | |
|--|---|---------|--------------|
| Borrower | : | Hungary | |
| Max. amount | : | [...] | |
| Opinion of the Government of the Hungary | | | No objection |
| Opinion of the Commission | | | Favourable |
- viii. HUNGAROCNTRAL AIR TRAFFIC MANAGEMENT UPGRADE Project (HU)
(Doc 21/506)
- | | | | |
|--|---|--|--------------|
| Borrower | : | HUNGAROCNTRAL MAGYAR LEGIFORGALMI
SZOLGALAT ZRT | |
| Max. amount | : | EUR 50m | |
| Opinion of the Government of the Hungary | | | No objection |
| Opinion of the Commission | | | Favourable |

WESTERN EUROPE DEPARTMENT

INVESTMENT LOAN

- ix. IPSE DE BRUGGEN SUSTAINABLE LONG-TERM CARE Project (NL)
(Doc 21/503)
- | | | | |
|---|---|---------------------------|--------------|
| Borrower | : | Stichting Ipse de Bruggen | |
| Max. amount | : | EUR 100m | |
| Opinion of the Government of the Kingdom of the Netherlands | | | No objection |
| Opinion of the Commission | | | Favourable |

Allocations to sub-projects:

Approval on 03/09/2021

ADRIATIC SEA DEPARTMENT

- x. CROATIA EU FUNDS CO-FINANCING 2014-2020 STRUCTURAL PROGRAMME LOAN (HR)
Allocation to sub-project: E - SCHOOL Project
(Doc 21/496)
- xi. CROATIA EU FUNDS CO-FINANCING 2014-2020 STRUCTURAL PROGRAMME LOAN(HR)
Allocation to sub-project: NGN BROADBAND INFRA
(Doc 21/497)
- xii. CROATIA EU FUNDS CO-FINANCING 2014-2020 STRUCTURAL PROGRAMME LOAN(HR)
Allocation to sub-project: SCIENTIFIC INFRA PLATFORM (O-ZIP)
(Doc 21/498)

CENTRAL AND SOUTH EASTERN EUROPE DEPARTMENT

- xiii. SLOVAKIA TRANSPORT FRAMEWORK FACILITY 2014-2020 (SK)
Allocation to sub-project: MODERNISATION TRAM TRACKS IN KOŠICE
(Doc 21/502)

Miscellaneous

Approval on 20/08/2021

- xiv. Appointment of Gelsomina Vigliotti as Vice-President and Member of Management Committee
(Doc 21/493)

Approval on 15/09/2021

- xv. The Lending Base Rates ("The Blue Curve") applicable in September 2021
(Doc 21/541)