

EUROPEAN INVESTMENT BANK

CA/551/22
10 March 2022

PV/22/02

BOARD OF DIRECTORS

Minutes of the meeting held in Luxembourg and via video/phone conferencing
on Wednesday, 2 February 2022

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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...]*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:

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

Directors:

Messrs K.J. ANDREOPOULOS
 L. BARANYAY
 Mss S. BELAJEC
 A. BLONDY-TOURET
 A. BJÖRNERMARK
 Messrs P. CARTAXO
 D. CARVILLE
 P. DEBATTISTA
 M. DESCHEEMAECKER
 A. EBERHARDS
 Ms E. FLORES GUAL
 Messrs P. FRÖHLICH
 A. GYÖRGY
 A. JACOBY
 K. KAKOURIS
 A. KUNINGAS
 Ms N. MARIN
 Mr P. PAVELEK
 Ms M. PETROVA
 Mr E. RUIZ DE VILLA SAIZ
 Mss K. RYSAVY
 K. SARJO
 J. SONNE
 Messrs D. TRAKELIS
 R. UYTERLINDE

Expert Members:

Mr G. GOBBI

Alternate Directors:

Mss A. af URSIN
 G. BEREMSKA
 S. BLOMENHOFER
 R. CAETANO
 B.F. CUCU
 E. de BEAUCÉ
 I. GARAYO ORBE
 U. GRMEK
 L. HALBRECQ
 Messrs R. HŘEBÍK
 H. KAEUBLE
 M. KLINGE
 Mss R. LAIGO
 T. LINDBERG
 P. MAMO
 Messrs N. MANTZOUFAS
 M. MARQUES

Ms	F.	MERCUSA
Messrs	D.	O'LEARY
	M.	PHILIPPOT
Ms	E.	PITTA
Messrs	M.	POLÓNYI
	C.	REININGER
	M.	TABACZAR
Mss	J.	UZIELIENE
	S.	VALTONEN
	A.	ZITCERE
	A.	ZORIĆ

Alternate Expert
Members:

Mr	A.	OPORTO
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Secretary:

Ms	M.	FALKSTEDT
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Absent :

Messrs	J.	LEOPOLD
	P.	PATKOWSKI

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. 22/001) was adopted.

No conflicts of interest were declared.

3. Approval of minutes of previous meetings
(CA/549/21)

The Board of Directors approved the draft minutes of the meeting held on 15 December 2021 (PV/22/01) via hybrid format with video/phone conferencing and physical presence.

4. Statements by the Chairman

The Chairman welcomed the newly appointed member of the Board, Mr Robin Uyterlinde, nominated by the Kingdom of the Netherlands, and announced the resignation of Ms Lisette Steins to whom he warmly thanked for her fruitful contribution throughout the years.

Besides, the Chairman briefed the Board of Directors on the 2021 EIB Group annual results, the EIB investment survey, the hearing at the European Parliament the previous week hosted by the development, the foreign affairs and budget committees, the 'Scale-Up' Europe initiative and the 'Chip initiative' initiated by the European Commission.

5. Update on strategic issues

The Chairman updated the Board of Directors on the implementation of the Pan-European Guarantee Fund (EGF), the tentative signature date for the InvestEU Guarantee agreement with the European Commission, the signature of a Memorandum of Understanding (MoU) on climate finance with Turkey as well as on the EIB activities in Ukraine.

Mr Andreopoulos, supported by other Board members, expressed reservations both on the content of the information provided to the Board regarding the MoU with Turkey and on the timing. He indicated that he reserves final judgement on the initiative in question until such time as the Bank's management shall have submitted, in a timely manner allowing Board members for a proper reflection and consultation with the competent authorities, of a detailed proposal 'for decision' on the relations of the EIB with Turkey together with a draft of the MoU. It was agreed that the Board will be invited to opine on the MoU in a subsequent meeting, and be receiving information on the economic and social situation, including on human rights, in Turkey.

GENERAL QUESTIONS

6. 2021 EIB Group Annual Results

The Bank's management provided a presentation of the 2021 EIB Group Annual Results concerning the EIB's treasury and funding operations and mentioned that the full report complemented by the annual results concerning the other operations of the Bank will be submitted to the Board in April 2022.

With reference to the funding programme implemented by the Bank, the Bank's management noted that, in 2021, EUR 55.3bn were raised reaching the revised funding target of EUR 55bn while it was highlighted that sustainability funding represented a significant share (21%) of the total funding. In addition, the Bank's management mentioned that in 2021 all three major credit rating agencies affirmed the EIB's rating recognizing the EIB's successful pandemic management as well as its ESG attributes.

Moving on, the Bank's management referred to the Bank's treasury management providing that, in 2021, there was no breach of any Risk Appetite Framework (RAF) threshold while the Bank maintained high liquidity and LCR ratios well above the required thresholds. The Bank's management also provided the 2021 lending overview, the results related to public policy goals, disbursements, advisory and blending.

Following the EIB's annual results, the EIF presented their annual results indicating that the EIF maintained its strong financial ratios, thanks to the finalization of the EIF capital increase, the maintenance of the EIF credit rating and the fact that the EIF's business has been focused on guarantees' business during 2021.

In the ensuing discussion, the Board members expressed their satisfaction with the Bank's annual results and congratulated the Bank's management and staff.

The Chairman recorded that the Board of Directors took note of the 2021 EIB Group Annual results.

7. EIF Board Nomination guidelines and Governance guidelines (Doc 22/034)

The Chairman recalled the request formulated by the Board when approving the EIF capital increase in 2020, to improve the EIF Board governance and EIB-EIF relationships, as well as to enhance the Group dynamic. He explained that the tabled proposals, part of the Group Alignment Initiatives, aim at codifying a transparent procedure for the selection and nomination of EIF Board members nominated by the EIB Board from amongst its members, and at establishing a governance framework to support them in their function.

While maintaining and complementing existing procedures, it was highlighted that both guidelines shall further ensure the Group corporate interests in the EIF Board work, and adherence to overarching principles of good governance. Finally, the Chairman referred to the preliminary discussions that took place in the Board working group of governance on 14 December 2021, and especially to diverging views expressed about the introduction of a fit and proper assessment via a self-evaluation under a skills matrix, accompanying the expressions of interest. He clarified that, in order to accommodate the concerns of those who were not comfortable to use the suggested self-assessment, the nomination guidelines were revised and the skills matrix to be used on a voluntary basis.

In the ensuing discussion, some Board members reiterated their uneasiness towards the introduction of any kind of self-assessment related to individual skills sets, considering Boards as collective bodies, the EIB and EIF boards different from those of private banks given the policy nature of the organization, the increased complexity it may create in the nomination process and discrepancy between the EIB and EIF boards, and within the EIF Board. They indicated that such self-assessment on a voluntary basis should not disregard the collective spirit of Boards. Other Board members welcomed the nomination guidelines proposal, referring to the specificities of EIF business and associated skills, as well as the important governance requirements on suitability and professionalization of Boards. The EIB management reminded the Board of Governors' request for the EIB to comply as close as possible to the best banking practices. References to ECB and EBA guidelines implemented at national level and to the suitability assessment performed for members of the EIB Audit Committee and Management Committee were made, as well as to the future work of the REP team on internal governance, justifying the balanced approach submitted to the Board.

Answering to Board members' questions, the Bank's management clarified that the nomination guidelines could be already used for the renewal of the EIF Board, in April 2022, requiring a Board decision on the candidates already in March. It was confirmed that the full list of Board members expressing their interest to become member of the EIF Board would be disclosed to the Board, alongside the Management Committee's proposal for decision. It was also agreed that the guidelines could be revised within two years, to take into account the first experiences and given the swift developments of governance standards within best banking practices. Finally, it was reconfirmed that the guidelines are in line with the legal framework applicable to the EIF and the EIB Group.

The Chairman recorded that the Board of Directors unanimously approved the EIF Board Nomination guidelines and Governance guidelines with a change of the revision clause from five to two years.

8. Mandate Creation - 2021-2027 Multiannual Financial Framework Decentralised Financial Instruments
(Doc 22/044)

The Chairman opened the discussion on the 2021-2027 Multiannual Financial Framework Decentralised Financial Instruments (DFIs), providing an overview of the main purpose of the DFIs and their effectiveness on EIB's operations, as presented the previous day in the Board working group on lending policies, evaluation and impact (WG LEVI). It was mentioned that the Board's approval is requested for the 2021-2027 DFI Framework mandate and the proposed signature of a funding agreement for the first DFI sub-mandate with the Spanish region of Andalusia.

The Board members welcomed the proposal and encouraged the Bank's management to consider exploring blending for future mandates, further broadening the product offer, as well as to pay continuous attention to cost coverage. The management clarified that only the approval of cost covering mandates would be delegated from the Board to the Management Committee.

In the absence of any further comments made by the Board members, the Chairman recorded that the Board of Directors approved the proposal for the 2021-2027 Multiannual Financial Framework Decentralised Financial Instruments.

9. EIB Group Environmental and Social Sustainability Framework
(Doc 22/029)

The Chairman reminded that an updated version of the EIB Group Environmental and Social Sustainability Framework (ESSF) had been shared with Board members prior to the meeting, addressing technical comments made by Board members that were also built on the discussion held with the civil society on this matter, the day prior to the Board meeting. The modifications aimed at clarifying (i) the EIB action in case of a breach of contractual conditions by the project's promoter, (ii) the human rights considerations in the due diligence process, (iii) the activities excluded from EIB intermediated lending, and (iv) the risk of forced labour in the supply chain.

Thanking the Bank's management for the revised document, some Board members stressed the importance to ensure that EU environmental and social (E&S) standards apply to all EIB projects and that appropriate checks and monitoring are also performed for projects benefitting from EIB support through intermediated finance. Some Board members said that they would have preferred a stronger standard for intermediate finance, especially regarding transparency and the use of a referral list, and seized the opportunity to ask for an updated consolidated exclusion list.

Welcoming Board members comments, the Bank's management confirmed the applicability of EU E&S to all EIB projects and referred to the comprehensive due diligence already performed by the Bank and which should be further enhanced in order to cover each aspect of the taxonomy.

In the ensuing discussion, the Bank's management explained that it was currently working on a document to present in a consolidated manner the list of activities excluded from the EIB lending, to be shared with Board members in due course. It was also reiterated that a Human Rights Position Statement would be presented to Board members by mid-year with a view to clarify the Bank's approach toward human rights in its due diligence processes.

Some Board members then underlined the need to allocate sufficient resources in order to successfully implement the Framework.

Finally, it was also suggested to slightly review the drafting of a paragraph in Standard 8 in order to foresee a swift action from the promoter in addressing labour risks.

In the absence of any further comments, the Chairman recorded that the Board of Directors approved the updated EIB Group Environmental and Social Sustainability Framework (ESSF). The final version integrating the drafting suggestions relating to Standard 8 would subsequently be shared with Board members for information.

10. Rapid assessment of the EIB Group's operational response to the COVID-19 crisis
(Doc 22/023)

The Chairman introduced the item and referred to the discussion held at the Board working group on lending policies, evaluation and impact (WG LEVI) the previous day. The Inspector General outlined the main elements of the report, focussing on the assessment of the Bank's and the EIF's emergency responses (including enabling measures) during the pandemic crisis, the experience made under the Pan European Guarantee Fund (EGF)), and the lessons learned and recommendations to inform the EIB Group's ongoing and future crisis responses.

In the ensuing discussion, some Board members recognized the evaluation of the EIB's response to the COVID-19 crisis as being a useful tool to improve the Bank's response to future crisis and that it indicates that the Bank could confidently consider being more flexible in its procedures under certain circumstances. It was indeed noted by some Board members that the successful handling of the crisis offers the opportunity for the Bank to consider streamlining its processes as was the case during the crisis. The Board insisted on the benefits of reduced time for signatures and disbursements in times of crisis. With regards to products' development, some Board members mentioned that the product mix offered by the EIB Group during the crisis could also be useful during the recovery (post COVID-19) phase, while others also highlighted that impact, rather than volume, shall drive product design. With regards to the methodology, for the in-depth evaluation of the EGF, Ms Rysavy recommended to conduct interviews with all relevant stakeholders like members of the Board or the European Commission, and even from the Economic and Financial Committee, in order to get a better understanding of the process of and bottlenecks in setting-up a crisis mechanism like the EGF. Further, it was proposed to concentrate on disbursement in the evaluation.

With regards to the recommendation for the establishment of a dedicated crisis mechanism, some Board members highlighted that it would be important to have a predefined governance process for its establishment to avoid any delays. Other Board members expressed the view that there is no need to establish a broadly based crisis mechanism but rather to have an emergency buffer in place. Some Board members expressed general openness to discuss the establishment of internal crisis coordination mechanism that would respond to natural catastrophes and conflict, and asked that the planned in depth evaluation of the Pan-European Fund (EGF) identifies any issues and assesses its impact. Finally, the Board referred to the complementarity with other mechanisms or initiatives, the importance to rely on clear State Aid rules and debated on the lengths of crisis mechanisms.

With regards to the EGF, the Inspector General noted that it was set up faster than other mandates even though there were some delays due to certain State Aid issues that occurred as well as in agreeing on working methods within the EGF Contributors committee and confirmed that a comprehensive evaluation of the EGF will indeed be performed as per the evaluation work program. He also clarified that the first recommendation is not prescriptive, in that sense that it does not recommend setting up a fully-fledged crisis mechanism, but invites the Group to decide on the most appropriate mechanism (ranging from light governance arrangements to a fully framed mechanism).

The Chairman recorded that the Board of Directors took note of the rapid assessment of the EIB Group's operational response to the COVID-19 crisis.

OPERATIONS

The Board of Directors considered and discussed in session the following proposals on the agenda:

➤ **Operations within the European Union**

Central and South Eastern Europe Department

INVESTMENT LOAN

11. **GREEK UNIVERSITIES PPP - PROGRAMME LOAN (EL)**
(Doc 22/036)

Borrowers	:	Special Purpose Vehicles	
Max. amount	:	EUR 190m	
Opinion of the Government of the Hellenic Republic			No objection
Opinion of the Commission			Favourable

The Chairman recorded that the Board of Directors approved the financing proposal.

Iberia Department

INVESTMENT LOAN

12. **HELIOS GREEN LOAN Project (ES)**
(Doc 22/038)

Borrower	:	Special Purpose Vehicles	
Max. amount	:	EUR 236m	
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.

13. **[...]**

➤ **Operations outside the European Union**

Global Partners Department

INVESTMENT LOAN

14. **CARIBBEAN WATER SANITATION AND CLEAN OCEAN PROGRAMME LOAN (Regional-Caribbean)**
(Doc 22/040)

Borrower	:	State Governments and Sovereign Guaranteed Public Utilities in the Caribbean (A tranche could also be intermediated via the Caribbean Development Bank (CDB) to reach smaller investments in the region).	
Max. amount	:	EUR 150m	
Opinion of the Commission			Favourable

The Chairman recorded that the Board of Directors approved the financing proposal.

➤ **Other Operational Questions**

Central and South Eastern Europe Department

15. CSEE PUBLIC SECTOR COVID-19 RESPONSE PROGRAMME LOAN (RO)
(Doc 22/037)

Allocation to sub-project: ROMANIA PUBLIC SECTOR COVID-19 RESPONSE II

The Chairman recorded that the Board of Directors approved the proposal.

MISCELLANEOUS

16. Date of the next meeting:

The Chairman announced that the next meeting would be held on Thursday, 10 March 2022.

The Chairman declared the meeting closed at 3:43 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 15 December 2021, of the following operations submitted by written procedure:

➤ **Operations within the European Union**

Approval on 20/12/2021

Baltic Sea and Northern Europe Department

INVESTMENT LOAN

i. **FINANCING OF EKO OSIEDLE IN WARSAW Project (PL)**
(Doc 22/006)

Borrower	:	Bank Gospodarstwa Krajowego ("BGK")	
Max. amount	:	PLN 270m (approximately EUR 59m)	
Opinion of the Government of the Republic of Poland			No objection
Opinion of the Commission			Favourable

Iberia Department

MULTI-BENEFICIARY INTERMEDIATED LOAN

ii. **BBVA LOAN FOR SMES AND GREEN INITIATIVES (ES)**
(Doc 22/003)

Borrower	:	Grupo Banco Bilbao Vizcaya Argentaria S.A.	
Max. amount	:	EUR 500m	
Opinion of the Government of the Kingdom of Spain			No objection
Opinion of the Commission			Favourable

Western Europe Department

INVESTMENT LOAN

iii. **MATERIEL ROULANT REGION HAUTS DE FRANCE Project (FR)**
(Doc 21/720)

Borrower	:	Hauts-de-France Region	
Max. amount	:	EUR 282m	
Opinion of the Government of the French Republic			No objection
Opinion of the Commission			Favourable

Approval on 06/01/2022

Adriatic Sea Department

INVESTMENT LOAN

- iv. VIVERACQUA HYDROBOND 4 Project (IT)
(Doc 22/016)
- Borrower : Special Purpose Vehicle
Max. amount : EUR 75m
Opinion of the Government of the Italian Republic : No objection
Opinion of the Commission : Favourable

Baltic Sea and Northern Europe Department

INVESTMENT LOAN

- v. MODAL SHIFT SUPPORT CHEMNITZ – TRAMTRAINS Project (DE)
(Doc 22/014)
- Borrower : Verkehrsverbund Mittelsachsen GmbH
Max. amount : EUR 89m
Opinion of the Government of the Federal Republic of Germany : No objection
Opinion of the Commission : Favourable
- vi. S3 EXPRESSWAY SWINOUJSCIE – SZCZECIN Project (PL)
(Doc 22/019)
- Borrower : Bank Gospodarstwa Krajowego (“BGK”)
Max. amount : EUR 250m
Opinion of the Government of the Republic of Poland : No objection
Opinion of the Commission : Favourable

MULTI-BENEFICIARY INTERMEDIATED LOAN

- vii. HELABA MULTI-OBJECTIVE MBIL (DE)
(Doc 22/015)
- Borrower : Landesbank HessenThüringen Girozentrale (“Helaba” or „the
Financial Intermediary”)
Max. amount : EUR 200m
Opinion of the Government of the Federal Republic of Germany : No objection
Opinion of the Commission : Favourable

Western Europe Department

INVESTMENT LOAN

- viii. EUROPEAN COMMISSION TRAINING AND CONFERENCE CENTRE Project (BE)
(Doc 22/013)
- Borrower : The European Union
Max. amount : EUR 120m
Opinion of the Government of the Kingdom of Belgium : No objection
Opinion of the Commission : Favourable

FRAMEWORK LOAN

- ix. TOURS TRANSPORTS URBAINS Framework Loan (FR)
(Doc 22/018)
- Borrower : Syndicat des Mobilités de Touraine (SMT)
Max. amount : EUR 250m
Opinion of the Government of the French Republic No objection
Opinion of the Commission Favourable

MULTI-BENEFICIARY INTERMEDIATED LOAN

- x. CASA INSTALLATION & FEMINISATION PLS MBIL (FR)
(Doc 22/017)
- Borrower : Credit Agricole SA ("CASA")
Max. amount : EUR 400m
Opinion of the Government of the French Republic No objection
Opinion of the Commission Favourable

Approval on 27/01/2022

Adriatic Sea Department

INVESTMENT LOAN

- xi. EPIC MALTA MOBILE AND FIXED NETWORK EVOLUTION Project (MT)
(Doc 22/031)
- Borrower : EPIC Communications Lt
Max. amount : EUR 20m
Opinion of the Government of the Republic of Malta No objection
Opinion of the Commission Favourable

Western Europe Department

INVESTMENT LOAN

- xii. IRISH SCHOOL PROGRAMME IV (IE)
(Doc 22/030)
- Borrower : National Treasury Management Agency/Department of
Education and Skills
Max. amount : EUR 200m
Opinion of the Government of Ireland No objection
Opinion of the Commission Favourable

➤ **Change of Loan Conditions**

Approval on 20/12/2021

Central and South Eastern Europe Department

- xiii. THESSALONIKI MUNICIPAL INFRASTRUCTURE Framework Loan (EL)
(Doc 22/008)

Change to operation after Board approval

Iberia Department

- xiv. MID-CAP PROGRAMME LOAN SPAIN AND PORTUGAL 2 (ES, PT)
(Doc 22/009)

Change to operation after Board approval

Approval on 27/01/2022

Adriatic Sea Department

- xv. EC-EIB SME INITIATIVE MALTA (MT)
(Doc 22/033)

Change to operation after Board approval

➤ **Allocation(s) to sub-project(s):**

Approval on 20/12/2021

Western Europe Department

- xvi. TOULOUSE TRANSPORTS URBAINS Framework Loan (FR)

Allocation to sub-project: TELEO TOULOUSE TRANSPORT URBAINS
(Doc 22/010)

Approval on 27/01/2022

Central and South Eastern Europe Department

- xvii. ROMANIA EU-COFINANCING FOR ENVIRONMENT Framework Loan (RO)

Allocation to sub-project: CLUJ COUNTY WATER AND WASTEWATER
(Doc 22/032)

➤ **Miscellaneous**

Approval on 06/01/2022

- xviii. REQUEST FOR THE APPROVAL OF THE CONTINUATION OF THE PROJECT
ADVISORY SUPPORT PROGRAMME
(Doc 22/020)

- xix. RESIGNATION AND DESIGNATION OF AN ALTERNATE MEMBER OF THE EIF BOARD
OF DIRECTORS
(Doc 22/024)

- xx. EQUITY FUNDS – REQUEST FOR APPROVAL OF FUNDS LIFE EXTENSION BY THE
MANAGEMENT COMMITTEE AND THE BOARD
(Doc 22/025)

Approval on 02/02/2022

xxi. THE LENDING BASE RATES ('THE BLUE CURVE') APPLICABLE IN JANUARY 2022
(Doc 22/050)