

EUROPEAN INVESTMENT BANK

CA/556/22
14 September 2022

PV/22/09

BOARD OF DIRECTORS

Minutes of the meeting held in Luxembourg
on Monday, 25 July 2022

Those attending

Chairman:

Mr	W.	HOYER
----	----	-------

EIB Vice Presidents:

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

Directors:

Messrs	K.J.	ANDREOPOULOS
	L.	BARANYAY
Ms	S.	BELAJEC
Ms	A.	BJÖRNERMARK
Messrs	P.	CARTAXO
	D.	CARVILLE
	P.	DEBATTISTA
	A.	EBERHARDS
Ms	E.	FLORES GUAL
Messrs	P.	FRÖLICH
	A.	GYÖRGY
	A.	JACOBY
	K.	KAKOURIS
Ms	E.	KALLENBACH
Mr	A.	KUNINGAS
Mr	P.	PAVELEK
Ms	M.	PETROVA
Mr	E.	RUIZ DE VILLA SAIZ
Ms	K.	RYSAVY
Ms	J.	SONNE
Ms	K.	SARJO
Mr	D.	TRAKELIS

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	E.	de BEAUCÉ
Mr	J.	DE BOER
Ms	I.	GARAYO ORBE
Ms	U.	GRMEK
Ms	L.	HALBRECQ
Messrs	R.	HŘEBÍK
Ms	R.	LAIGO
Ms	P.	MAMO
Messrs	N.	MANTZOUFAS
	M.	MARQUES
Ms	F.	MERCUSA
Mr	D.	O'LEARY
Ms	E.	PITTA

Messrs	M.	POLÓNYI
	C.	REININGER
	M.	TABACZAR, representing Mr PATKOWSKI
Ms	J.	UZIELIENE
Ms	S.	VALTONEN
Ms	A.	ZITCERE
Ms	A.	ZORIĆ

Secretary:

Ms	M.	FALKSTEDT
----	----	-----------

Absent :

Mr	O.	BAILLY
Ms	A.	BLONDY-TOURET
Ms	S.	BODIN
Messrs	M.	DESCHEEMAECKER
	P.	FRÖHLICH
	G.	GOBBI
	H.	KAELBLE
	M.	KLINGE
Ms	N.	MARIN
Messrs	P.	PATKOWSKI
	M.	PHILIPPOT
	A.	OPORTO
Ms	F.	UTILI
Mr	R.	UYTERLINDE

The Chairman declared the meeting open at 14.05 p.m. and thanked Board members for attending the extraordinary meeting conveyed at short notice.

1. Quorum

The Chairman recorded that there was a quorum.

2. Agenda and declaration of conflicts of interest

The agenda (Doc 22/354) was adopted.

No conflict of interest was declared.

3. EIB Ukraine Solidarity Urgent EIB response – Second Relief Package
(Doc 22/355)

In his introductory remarks, the Chairman referred to the withdrawal of this item from the 13 July Board meeting, and the further discussions with the European Commission, Ukrainian government and international partners to provide the Board with specific reassurances, also in light of recent events about voluntary debt suspension. Following the confirmation of the full support of the European Commission and the Ukrainian government's confirmation of the preferred status of IFI creditors reported by the Chairman, the Bank's management presented the key features of the second relief package consisting of i) an immediate financial assistance in the form of urgent upfront disbursements from several existing finance contracts in the total amount of up to EUR 1.05 bn, and ii) of a medium term component including further disbursements of up to EUR 540 m to finance capex over a 18 month period for the implementation of projects.

The EIB's management elaborated further on the tabled proposal by detailing the financing needs in Ukraine: to ensure macro-financial stability, fix essential infrastructures today destroyed and sustain basic services. Reassurances were provided on the use of EIB funds that would not be allowed for military purposes but would serve in priority to repairs in railways and road sectors, to rebuilt municipal critical infrastructures and support urgent energy and energy efficiency measures. The validity of the utilisation of the External Lending Mandate (ELM) guarantee was confirmed, given the exceptional circumstances, as well as the submission of ex-post reporting on the use of funds immediately disbursed.

The Board of Directors, except one member who abstained from the vote, welcomed the proposal and thanked the services and management for the opportunity it gives to reconfirm EIB strong commitment toward Ukraine and to contribute to Team Europe initiatives, this proposal representing a timely and swift response. Clarifications provided on the ex-post reporting and on compliance due diligence, related to Anti-Money Laundering & Combatting Financing Terrorism (AML-CFT) requirements and sanctions were appreciated. The details presented on the repurposing of initial contracts, on the selection of operations and on the close involvement of Ukrainian, authorities were positively received. Finally, the favourable opinion provided by the Board Advisory Group on EIB Global's operations in advance of the Board meeting and the complementary information shared by Ms Flores on the terms of the provisioning for the guarantee, with a provision rate at 70% for the operations in question and using the existing EU budget, were acknowledged.

In the ensuing discussion, most of the Board members asked for a fast implementation of the package, for a continuous coordination with other International Financial Institutions (IFIs) and other relevant stakeholders, as well as for a communication messaging presenting this proposal under Team Europe. Several Board members also strongly underlined that such proposal can today only be supported because of the current war, but that outside of these exceptional circumstances this is not the type of financing proposals they would normally endorse. Furthermore, they asked to act in the safest areas and stressed the strategic role they expect the EIB to play during the reconstruction phase.

Ms Kallenbach, while noting the reassurances provided especially on control environment, monitoring and on the sectoral allocation of funds, expressed concerns regarding the liquidity support character of the envisaged disbursements which she expected others to provide, as well as her preference for the

EIB to stay close to its original mandate regarding the financing of selected and concrete projects. For that reason, Ms Kallenbach stated that she could not support the Second Relief Package and wished her abstention to be recorded.

The Chairman, thanking Board members for their support, agreed with them about the exceptional nature of the proposal deriving from exceptional circumstances, about its complementarity with other initiatives and notably the micro financial assistance to be provided by the European Commission. He also reiterated the EIB's management commitment to address important challenges ahead, for Ukraine's reconstruction.

In the absence of further comments, the Chairman recorded that the Board of Directors approved the EIB Ukraine Solidarity Urgent EIB response – Second Relief Package, with the abstention of Ms Kallenbach.

4. Date of next meeting

The Chairman announced that the next meeting would be held on Wednesday, 14 September 2022.

The Chairman declared the meeting closed at 15:30 p.m.