

A group of business professionals in a circle, holding hands, symbolizing teamwork and future vision. The image is a low-angle shot looking up at several people in business attire (shirts and ties) who are standing in a circle and holding their hands together in the center. The background is a bright, slightly blurred sky. The overall mood is positive and collaborative.

**The European Investment Bank's  
Inspectorate General  
From past to future**



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## **The European Investment Bank's Inspectorate General: From past to future**

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## FOREWORD BY THE PRESIDENT

**T**he mission of the EIB Group is to foster sustainable growth within the European Union and abroad. We are firmly committed to sustainable development, which is anchored in our strategy and remains the foundation of our business model. To contribute to a sustainable and resilient future in Europe and globally, we must ensure that our activities truly support EU policies, fulfil citizens' needs, meet objectives at a reasonable cost and generate lasting benefits for society.

To fulfil these objectives, the EIB Group must maintain social trust in its actions and continuously learn and improve. While accountability is the responsibility of every member of the EIB Group's governing bodies and staff, it is also the central drive and purpose of the EIB Inspectorate General and its three accountability functions. The Evaluation Division sheds unfiltered light on our performance and achievements. The Complaints Mechanism gives a greater voice and provides a recourse to citizens. The Investigations function uncovers hard yet necessary truths. I am proud that the EIB Group does not shy away from uncomfortable findings and does not satisfy itself with complacency and status quo. The Inspectorate General helps every member of the EIB Group to reconsider how we work and adapt continuously. This is essential to deliver on our ambitions.

As the EU bank, we are at the forefront of the global fight against climate change. We tirelessly work to help EU Member States and our partners outside the European Union to recover from the social and economic impact of the COVID-19 pandemic. Yet, the environment in which we operate is uncertain and fast-evolving. The Inspectorate General helps the EIB Group to look unblinkingly at what we are doing well and what we can improve on. It provides us with meaningful lessons and evidence we can rely on to build on our achievements and adjust where needed.

I am confident that the EIB's Inspectorate General, building on its 15 years of experience, will continue to help the EIB Group in meeting its highest standards and ensure value for money for the people that benefit from the projects we finance.

**Werner Hoyer**  
President



## FOREWORD BY THE INSPECTOR GENERAL

It was in 2005 that the then President, Philippe Maystadt established the Inspectorate General function. In 2020, the EIB's Inspectorate General celebrated its 15<sup>th</sup> anniversary, but due to the COVID-19 pandemic, the celebration was postponed.

As Inspector General since 2007, this milestone is a good occasion for me to reflect on our mission, the paths taken, the results achieved and areas for improvement. As a historian by background, I know that looking back over our past work with a critical yet well-meaning eye is a prerequisite to learn and improve. Sometimes, the challenges faced, and even the mistakes made along the way, enable us to improve the added value of our function to the Bank.

Reflecting on achievements and mistakes, and drawing lessons for the future, are surely done most effectively in a collective way. While the pandemic is leading us to rethink the way we work and to adapt to a new hybrid normality, it is the right time for the Inspectorate General to foster this collaborative reflection. To do so, various experts, external stakeholders and (former) colleagues gathered on 27 October 2021 to discuss and exchange views on public accountability, a topic close to the heart of the Inspectorate General's mission and activities.

Why public accountability? The answer is simple: accountability to the public at large, interacting with them, informing them about your objectives, your achievements and non-achievements, and showing them that you learn from mistakes, will help to create and maintain trust in the institutions. The EIB Group is increasingly devoting its attention and scaling up its resources to address the major societal challenges ahead of us, including climate change, COVID-19 crisis recovery, gender equality, reduction of poverty and inequalities. These priorities can only be effectively sustained by making public accountability an integral part of our strategy. This requires the pursuit of transparency, integrity, competency and responsiveness in all our activities. I see it as the main task of the Inspectorate General to support the EIB Group in ensuring it is accountable for the past and learning for the future.

Three independent accountability and control functions operate under the Inspectorate General: Evaluation, Investigations and the Complaints Mechanism. Evaluation assesses the quality and results of the EIB's activities. Investigations works to prevent, detect and deter fraud and corruption. The Complaints Mechanism and the specialised Procurement Complaints Committee enable citizens concerned by EIB projects or activities to exercise their right to be heard, assesses their concerns and promotes good administration. Together, they aim at improving the EIB Group's performance and value added by issuing recommendations, and at safeguarding the EIB's financial interests and reputation.

As a former Board member of the EIB and other international financial institutions (IFIs), I know first-hand the importance for governing bodies to be able to rely on professional and diligent accountability and control functions for the reputation of the institution. At the same time, the objectives behind the Inspectorate General functions reflect a joint responsibility of the EIB Group. The Inspectorate General can only fulfil its role with the continuing constructive and much appreciated input and engagement of the governing bodies and EIB Group staff.

Together, over 80 professionals stand behind the acronym IG, and we are committed to supporting the EIB Group to contribute to the policy objectives of the European Union. Our independent role requires frank, sometimes challenging, discussions and exchanges with our other EIB Group colleagues and our external stakeholders. It requires independence yet collaboration and openness. Independence does not mean splendid isolation. It is our job to acknowledge successes and achievements but also to identify shortcomings and present areas for improvement. I am very proud of our work, perseverance and commitment and pleased to introduce this brochure entitled "The EIB's Inspectorate General: from past to future", which presents our story and our mission as part of the EIB Group. Looking back at the past, I am confident we have a bright future ahead of us.

**Jan Willem van der Kaaij**  
Inspector General



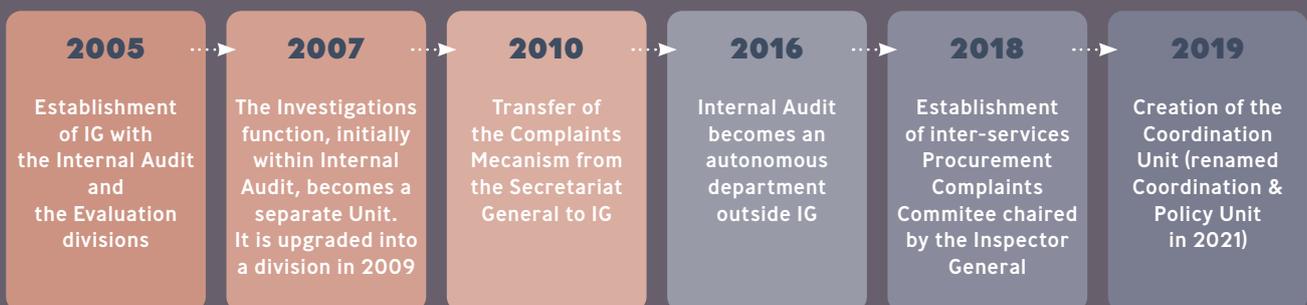
The Inspector General position and directorate were created in 2005 to bring the two independent accountability functions, Internal Audit and Evaluation, under one high-level function. At the time, Investigations was a unit within Internal Audit but would subsequently be established as a separate function under the IG providing further focus and specialism as its business unfortunately grew. The creation of IG represented a significant advance at that time in the organisational positioning and visibility of respective services by providing a seat at the top table of the Bank's organisational structure.

My personal recollection is that over the subsequent years the various independent services within IG established close working relationships and collaboration through the sharing of work plans and information seeking to minimise the control overload on the operational and administrative services, while respecting their respective individual responsibilities. The centralisation and coordination of activities have been instrumental in reinforcing the control and accountability culture of the EIB Group; there is no secret in the reliance by all the governing bodies of the Group on IG's teams and this is a testament to that decision in 2005 to strengthen individual accountability through the creation of the Inspectorate General function.

During my time leading Internal Audit within IG I was lucky enough to work with the two Inspector Generals, Peter Maertens and Jan Willem van der Kaaij. Given the sensitivity of the work undertaken by the respective areas within IG and the need for them to work independently, it is a credit to them and the professional teams within IG that they have had the organisational and political savoir-faire to bring IG through a very successful first 15 years, especially in such a turbulent period in the Group's operational and governance history.

**Ciaran Hollywood**

Former Head of the Internal Audit department



# THE ESTABLISHMENT AND DEVELOPMENT OF THE INSPECTORATE GENERAL

The European Investment Bank (“EIB” or “the Bank”) established the Inspectorate General (IG) in 2005. The creation of IG underlined the importance attached by the Bank to the independent control and accountability functions and its long-standing commitment to accountability. It also aimed at ensuring that the independent control and accountability functions of the Bank were represented at the appropriate management level. Since its establishment, IG has been headed by the Inspector General, which is a Director General-level appointment.

At the time of its creation, IG consisted of two functions, Internal Audit and Operations Evaluation, with just 23 staff members. Another important objective of placing Internal Audit and Operations Evaluation under the same roof of IG at the time was to increase the synergies between the different functions, with a more coordinated approach to the development and implementation of their work programmes and modus operandi.

While the *raison d'être* of IG has remained valid and constant during its 15 years of existence, its internal organisation in terms of functions, staff, tasks, and the relationship with external stakeholders have evolved continuously.

In 2007, soon after IG's establishment, the Fraud Investigations function, initially developed within Internal Audit, became a separate unit staffed with a Head of Unit and two investigators. In 2009, the Management Committee decided to upgrade the Fraud Investigations Unit to a Division (IG/IN), tasked with detecting and investigating allegations of fraud and corruption in the EIB Group's operations and activities, in close cooperation with relevant external stakeholders.

In 2010, the Complaints Mechanism Division (CM), established in 2008, was transferred from the Secretariat General to IG. This development recognised the importance of the independence of the work of the Complaints Mechanism.

In line with best banking practices and the three lines of defence model applied in the banking sector, Internal Audit was established as a separate department outside IG in 2016.

At the end of 2018, the Procurement Complaints Committee (PCC), an inter-services committee in charge of procurement complaints, was established. The PCC is chaired by the Inspector General and its secretariat is located within IG.

From around 23 staff members and two divisions at the time of its establishment, IG is composed in 2021 of over 80 staff members and three functions: Evaluation, Investigations and Complaints Mechanism. A Coordination and Policy Unit, which also hosts the secretariat of the Bank's Procurement Complaints Committee, has supported the whole directorate since 2019.



### **Reflections of the first Inspector General**

The establishment of the Inspector General's function came about in a quiet and subdued manner. Three existing functions were placed within the Inspector General Office. The main architects of the new function were the then President Philippe Maystadt and the then Vice-President Peter Sedgwick, who saw the combined strength of three functions as an opportunity to increase the visibility and related accountability of the EIB Group operation to the Management Committee, the Boards of the Bank and the EIF, and to the external stakeholders including civil society.

The transition was effective because of the exceptional quality and dedication of the staff of each of the three functions and their ability to continue in their roles, which had proven to be effective over the years. At the same time, as a combined team we could work on greater visibility and to respond to accountability aspects arising from the external environment. Think of such events as the introduction of the euro, the expansion of the European Union, the greater emphasis on integrity and the creation of the European Anti-Fraud Office, OLAF.

The Evaluation function developed and executed a comprehensive three-year strategy that envisaged wide coverage and substantive information for management, the Board, the services and external stakeholders. The Investigations function developed to be responsive to a greater awareness of the negative consequences of fraud and corruption within investments and development projects and, through its strength, was able to integrate its work with that of OLAF. Internal Audit continued its assurance function and prepared to issue its opinion on controls, issuing its first audit review related to the Bank's response to climate change. At a senior level, the Inspector General had a greater voice at the table of the Management Committee and was present at the Board meetings, highlighting its plans, activities and discussing the findings in its reports. All contributed to greater transparency.

The three functions developed and were respected by the Board, senior management, and the Bank's services. Those working with outputs recognised how the Inspector General's function translated into greater transparency and accountability of the EIB Group.

#### **Peter Maertens**

Inspector General, 2005-2007

# THE MISSION OF THE INSPECTORATE GENERAL

The mission of the Inspectorate General is to help ensure the EIB Group's resources are used for their intended purposes, to verify that they achieved their intended outcomes, and to promote good administration and learning. IG helps ensure that the EIB is accountable for its activities and learns from them.

**IG**'s independence reflects the public character of the EIB and its status as an EU body, which brings an increased and additional need for accountability and transparency compared to commercial banks. The EIB has increasingly been in the public eye since the global financial crisis broke out, making the need for a robust accountability framework more evident than ever.

IG's work is not about what can happen, but about what has happened and to draw lessons for the future, in order to further improve the EIB's performance. The activities of IG contribute to the Bank's know-how by identifying important lessons learned and by formulating recommendations and areas for improvement. The IG functions also aim to safeguard the reputation of the Bank by demonstrating to stakeholders that the Bank can be held to account for living up to its commitments, both in terms of achievements and the manner in which results are achieved.

Over the years, IG has constantly increased its activities, managing a growing volume of investigations and complaints, and providing evaluations designed according to the evolving objectives, projects and financial instruments used by the Bank. IG must constantly adapt its work to the rapidly evolving activities of the EIB Group to be able to provide timely and relevant input for the Bank's decision-making processes.

## INDEPENDENCE

Independence is key to guaranteeing that IG carries out its functions effectively and credibly and to maintain the trust of external stakeholders and partners. Independence in its reporting is a cornerstone of the three IG Board-approved policies.

The Inspector General has direct access to the President and the Audit Committee. Further, to allow for impartial and operationally independent analysis, the reports prepared by IG are distributed in an unfiltered manner to the Bank's governing bodies.

The Inspector General participates in the meetings of the Board Ethics and Compliance Committee as a non-voting member where issues relating to the EIB Group Anti-Fraud Policy are discussed, and in the Board Working Group on Lending Policies, Evaluation and Impact.

Since its creation, the evaluation reports issued by IG have been published on the Bank's website, contributing to enhanced transparency and accountability.



As a Vice-President of the EIB between 2016 and 2020, it was a great privilege that my responsibilities included oversight of the Bank's independent Evaluation function within IG, and in particular of the responses the Management Committee to its recommendations, for ultimate approval by the Board of Directors.

In working with the Inspector General Jan Willem van der Kaaij, Ivory Yong-Prötzel, Head of the Inspectorate General's Evaluation Division from 2010 to 2018, Sabine Bernabè, current Head of the Inspectorate General's Evaluation Division and the rest of the Evaluation team, I was always inspired by their commitment to the vision of an EIB Group that is innovative, experimental and constantly learning.

After all, independent evaluation requires persistence, engagement and courage. Its role of evaluation is to challenge the Bank to learn from its failures (and successes) and to allow all internal and external stakeholders to hold the EIB Group to account for its fulfilment of its mandate.

This isn't always popular, including at Management Committee level. Nobody likes their projects or initiatives being criticised. But any organisation that doesn't make mistakes isn't being innovative enough. The aim should not be to avoid mistakes, but to make sure it learns from them.

Indeed, independent evaluation of the extent to which it makes a difference is vital to the legitimacy of every multilateral development bank, including the EIB Group. Shareholders provide the EIB and other multilateral development banks with special privileges and immunities, including an exemption from the requirement to pay taxes and dividends. And they expect them to deliver something in return – economic, social and environmental impacts that would not be delivered to the same extent or in the same timeframe by "normal" financial institutions with a purely commercial focus. Through the Board Working Group on Lending Policies, Evaluation and Impact, I have seen first-hand how essential the work of the Evaluation team has been in maintaining shareholder support.

I congratulate the entire IG team on their 15<sup>th</sup> anniversary, and I wish you every success as the EIB takes on new challenges over the coming years.

**Andrew McDowell**

Former EIB Vice-President



Public institutions need to be transparent and accountable in everything they do. The public have a right to know what is being done in their name and need to be confident in the safe stewardship of the resources they own. This is why the institutions need to set out clearly their policies and intentions; and why they need to be accountable afterwards for what they have done. The EIB has a wide range of processes and systems to ensure this. Its Inspectorate General plays a key role within these structures. The Complaints Mechanism provides a resource through which the public can raise issues arising from the execution of EIB business, and it can put forward remedies where this is justified. The Investigations department undertakes enquiries into these and other aspects of the Bank's activities. I have seen first-hand how important these functions are to the smooth operation of the Bank and to underpinning public confidence. Their professionalism and independence is a crucial part of the Bank's overall offering and helps to ensure that it will continue to make a major contribution to achieving the policy goals of the European Union.

**Jonathan Taylor**

Former EIB Vice-President



"The first messenger, who gave notice of Lucullus's coming was so far from pleasing Tigranes that he had his head cut off for his pains; and so no man dared to bring further information. Without any intelligence at all, Tigranes sat while war was already blazing around him, giving ear only to those who flattered him" (Plutarch, Life of Lucullus, par. 25).

In my whole professional life as a Bar advocate, a judge, an investigation manager at the European Anti-Fraud Office, and finally as Head of the Investigations Division (IG/IN) in the Inspectorate General of the EIB, I could witness in day-to-day life how ordinary people, companies and institutions continue to have serious difficulties in accepting bad news. Still now, flattering is often more welcome than reliable information. I've seen that sometimes more efforts were dedicated at shooting the investigators, than to remedy a problematic situation.

And this is precisely the essence of the work of an investigator: trying to find reliable evidence of any wrongdoing that may affect a given situation or people, and once confirmed by the investigation, inform decision-makers to allow them to correct the situation.

The financial sector as a whole, including public investment and development banks, are not an exception in this regard. It must be said that the 2007-2008 financial crisis had a serious impact on how financial businesses look at internal and external control bodies since then. Everybody knows the impact of regulations adopted since the crisis, such as the Basel III initiative.

Investigators perfectly understand that their message may not always be welcome for loan officers and other people working in operations who work hard to appraise projects and get to the bottom of things in order to get management approval for what they think is the financing of a valuable project, very often even strongly supported by local or national authorities. In the five years I served in the Bank, I only once lost my patience: the Management Committee had just agreed on a proposal by the Inspectorate General for action against a company, and one of the Operations colleagues, seeing that all his hard work was being challenged, addressed me in a very aggressive manner.

I've also seen, however, in the five years I had the honour to serve as Head of Division in the Inspectorate General, that the Bank's management carefully listened to the messenger and that in very sensitive cases direct contact with the most senior management was perfectly normal. Support from senior EIB management for the Bank's control bodies is key to acceptance of a sound culture in the institution. Safeguarding the confidentiality of the information to only those who had a real need to know was in this regard of paramount importance.

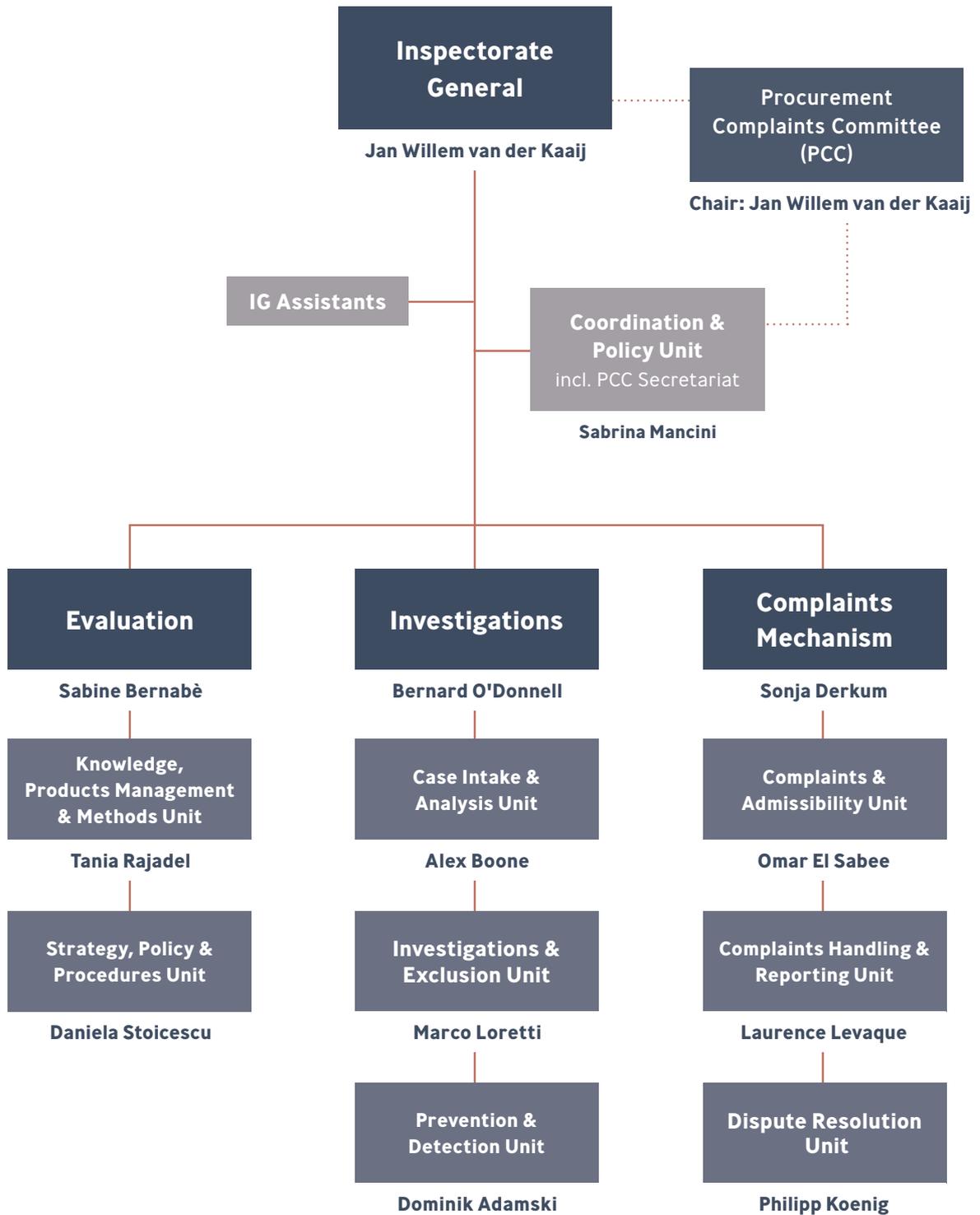
From a few people when I arrived in February 2010, IG/IN grew under the leadership of Jan Willem van der Kaaij and the Division heads into a strong and well-appreciated division in the Bank with talented people with a legal, judicial, law enforcement and forensic audit background of whom most also had experience of international institutions.

Congratulations for the work done! Even after six years of retirement, I still feel part and am very proud of the team!

**Johan Vlogaert**

Former Head of the Inspectorate General's Fraud Investigations Division

# IG ORGANISATION CHART IN 2021





I had the pleasure of being part of the IG team in its early days in 2005 and then again, when I became the Head of the Complaints Mechanism four years ago. IG has undergone a transformation over time but what remains is that its layers of accountability form a crucial element of the Bank's DNA.

Nowadays, any public institution requires a robust controls and accountability framework. This has historically not always been the case and before the creation of IG, the relevant functions were fragmented in different parts of the Bank.

We in IG support the Bank in meeting its objectives by independently evaluating its projects, by investigating allegations of fraud and corruption and by listening to affected citizens with a view to addressing their issues. These are vital functions to support the Bank's mission and to maintain stakeholders' trust. This is also a sign of the great institutional maturity of the EIB Group.

In a Group of more than 4 000 employees it is not possible that everything is done to perfection at all times, therefore we are eager to continue the journey of supporting how specific issues can be resolved, but beyond that also to see how this can lead to a broader understanding of the institution.

**Sonja Derkum**

Head of the Inspectorate General's Complaints Mechanism

## COMPLAINTS MECHANISM

The Complaints Mechanism is the citizen-driven accountability tool of the EIB Group. It listens to citizens' concerns about EIB Group projects or activities, and enables them to exercise their rights to complain and be heard.

The Complaints Mechanism operates as a non-judicial, solution-driven mechanism based on the principles of independence and transparency. It investigates complaints to ensure that the EIB Group complies with its policies and procedures and proposes corrective actions, if appropriate. Its reports are publicly available, unless a complainant requests confidentiality.

The Complaints Mechanism developed a mediation function to enable the pre-emptive resolution of disputes between complainants, the EIB Group and borrowers/promoters of its financed operations. To do so, it analyses disputes and designs and implements a collaborative resolution process as an alternative to a compliance review. Whenever possible, and giving due consideration to the type of complaint, the mediation function attempts to resolve the dispute by achieving a better and common understanding, improving the degree of trust between parties, and seeking to identify mutually acceptable solutions.

In addition, the Complaints Mechanism helps the EIB Group to achieve the common goal of good administration by advising on possible improvements to its activities.

The Complaints Mechanism also developed a tool enabling more systematic monitoring and reporting on the cases under its follow-up procedure. The Complaints Mechanism operates under the [EIB Group Complaints Mechanism Policy](#) and [Procedures](#).

### PROCUREMENT COMPLAINTS COMMITTEE

The [Procurement Complaints Committee \(PCC\)](#), a dedicated inter-services committee chaired by the Inspector General, handles complaints that challenge the Bank's decisions on project procurement procedures under EIB-financed projects. This system ensures that the Bank handles project procurement complaints regarding EIB-financed projects effectively and independently. The PCC Secretariat is situated within the IG Coordination and Policy Unit.



I feel very fortunate, in my current role, to head an investigations office that has the clear and firm support of senior management across the Bank. This is not the case in all organisations, because investigations sometimes bring bad news – information that can be difficult to accept and challenging to address. Having worked in the field of investigations and law enforcement exclusively for more than 35 years, I have seen vastly different approaches to the investigation of serious issues that can confront an organisation and its activities.

All institutions – public or private – will encounter fraud and corruption at some time and to varying degrees. It's just a matter of whether an organisation is serious about preventing, detecting, investigating and addressing the often hidden indications of fraud and corruption. Organisations which do not accept 'bad news', and those that do not quickly take necessary action, can later pay a heavy price. Public confidence and the credibility of an organisation can be quickly eroded by a lack of accountability and oversight.

As is the case with all investigation offices, one of the challenges faced by Fraud Investigations in IG (IG/IN) is determining how best to measure the effectiveness and the impact of prevention, detection, investigation and deterrence activities that form a core part of IG's function. Given that fraud and corruption sometimes go unreported and undetected through standard monitoring and controls, another challenge is to find these often hidden but potentially serious irregularities. IG has developed highly specialised analytical tools for the proactive detection of prohibited conduct. IG/IN also uses highly specialised forensic tools as part of its systematic assessment and investigation processes. These detection and investigation tools form the basis of IG and Bank-wide efforts to more comprehensively address the risk of fraud and other forms of prohibited conduct.

Going forward, IG is coordinating work within the Bank to effectively turn past experience and lessons learned into comprehensive anti-fraud awareness and training for staff, including a fit-for-purpose fraud risk management process for EIB-funded projects and activities.

We don't always get it right, and risks cannot be completely mitigated, but the Bank has established a strong investigations team, staffed by former prosecutors, experienced investigators, forensic accountants and lawyers, so as to be in the best position to objectively examine the facts – and to provide those facts to the right people in the Bank so that the necessary action can be taken. I am proud to work with these experts, and with colleagues across the Bank, to continue our best work in tackling fraud, corruption and other serious irregularities whenever and wherever they occur.

**Bernard O'Donnell**

Head of the Inspectorate General's Investigations Division

# INVESTIGATIONS

The Investigations Division is the sole office within the EIB Group mandated with conducting all investigations into alleged prohibited conduct, which includes fraud, corruption, collusion, coercion, obstruction, theft at EIB Group premises, misuse of EIB Group resources or assets, terrorist financing and money laundering.

The Investigations Division provides EIB Group services and management with the relevant facts and recommendations to form the basis for appropriate decisions and follow-up actions. Evidence obtained in the course of investigations forms the basis of necessary corrective action, which may include the recovery of funds or other contractual and legal remedies. The Inspector General may also initiate exclusion proceedings or lead settlement negotiations under the [EIB Exclusion Policy](#).

In addition to investigations, the Investigations Division's mandate extends to proactive fraud detection. This activity is key to addressing prohibited conduct issues that might otherwise remain undetected by usual monitoring or not be reported. Selecting the right projects for proactive review is crucial. The Investigations Division has developed a proactive integrity review methodology, including an automatic risk assessment tool, to ensure the selection of the right projects while optimising the use of available resources and maximising its detection capacity.

The Investigations Division also advises other EIB Group services on policy-related issues and coordinates fraud and corruption awareness training and outreach activities.

The Investigations Division operates under the [EIB Group Anti-Fraud Policy](#) and the [Investigations Procedures](#).



I have the great privilege of heading the Evaluation function of the EIB Group and am proud of the value we bring both to the institution and to our external stakeholders. As the EU bank, the EIB Group is accountable to the Member States of the European Union and its citizens on whether the financing entrusted to it has made a difference. This is the foundation of the Evaluation function's role; we carry out independent evaluations of the Group's activities for this purpose. Our evaluations provide an unbiased assessment of whether the EU bank is doing the right things and doing things right.

But we also aim for our findings to contribute to evidence-based decision-making and institutional learning. Therein lies the real value of our function. This is why we put so much emphasis on ensuring that our evaluations are useful for our stakeholders. Our role is also to provide relevant and timely evidence to inform decision-making and strategic discussions. At the same time, this evidence helps the Group to build on its strengths and avoid pitfalls. However, being useful is not enough if the evidence is not actually used, which is why we also strive to foster a culture of evaluation across the institution from the Board to management and services through regular, close consultation with all stakeholders.

At times this can be challenging. The EIB Group operates in an environment that is continuously and rapidly evolving. Evaluation functions such as ours are increasingly requested to produce evaluations at a faster pace, while maintaining our independence and high-quality standards, which are both essential to our credibility. This is leading us to improve the way we work, and explore new methods and products. We are also keen to make our evaluations more accessible and reach broader audiences.

These are exciting times for evaluation! And as the Evaluation function of the EU bank, I am convinced we have an important role to play in the evaluation community in Europe and beyond.

**Sabine Bernabè**

Head of the Inspectorate General's Evaluation Division

# EVALUATION

The Evaluation Division conducts independent evaluations of the EIB Group's activities. It assesses the relevance and performance of these activities in relation to their objectives and evolving operating environment. It also helps the EIB Group to draw lessons on how to continuously improve its work, thereby contributing to a culture of learning. The Evaluation Division's work feeds into the Group's strategic discussions by providing independent and credible evidence to inform decision-making. As the evaluation function of the EIB Group, it also aims to promote evaluation as a public good in Europe and beyond.

Since its creation, the Evaluation function has published over 100 synthesis and thematic evaluation reports and briefs (available on the EIB website: [www.eib.org/evaluation](http://www.eib.org/evaluation)). Through the underlying evaluation processes, including the thorough assessment of over 800 projects, the Evaluation function has accumulated a wealth of information and insights into the EIB's performance over time. It constantly enhances its methodologies and its technical expertise to cover the EIB Group's broad and rapidly-evolving activities. The Evaluation Division works on the basis of a Board-approved [three-year work programme](#), which is updated annually to echo the EIB Group's work and priorities.

In parallel to its evaluations, the Division follows up and reports on the implementation of evaluation recommendations. This well-established process ensures that the Bank takes ownership of recommendations and stays accountable vis-à-vis its shareholders for implementing the proposed improvements. The EIB Management Committee benefits from quarterly reports on progress achieved, while the Board of Directors receives an account twice a year. For the European Investment Fund, the Evaluation Division sends reports to the Chief Executive twice a year and annually to the Board of Directors.

Since 2021, the Evaluation function operates under an [EIB Group Evaluation Policy](#), which replaces the 2009 Operations Evaluation Terms of Reference. The policy spells out the intentions and directions of the EIB Group in the area of evaluation and outlines the roles and responsibilities of all key stakeholders involved in evaluation.

# THE INSPECTORATE GENERAL AND ITS EXTERNAL STAKEHOLDERS

As the Bank has increased its lending volumes and visibility, IG's relationship with external stakeholders has evolved accordingly, reflecting the growing complexity and number of entities with which IG cooperates closely. The dual nature of the EIB, as an EU body and an IFI, multiplies the cooperation and stakeholder networks at EU level and worldwide.

The Inspectorate General's work is of interest to other EU institutions and bodies, in particular the European Parliament and the European Court of Auditors, as well as civil society in general. Each IG function also cooperates closely with dedicated partners and networks.

## COMPLAINTS MECHANISM

One of the Complaints Mechanism's main stakeholders is the European Ombudsman (EO). The Memorandum of Understanding between the EIB and the EO signed in 2008 provides the basis for their cooperation. In particular, the Complaints Mechanism is part of a two-tier accountability system in association with the EO, meaning that the Complaints Mechanism handles in the first instance the complaints concerning an EIB project, policy or activity. If the outcome of this complaint is not satisfactory according to the complainant, they can then escalate the concern to the EO. This is also valid for procurement complaints handled by the PCC. In addition, the Complaints Mechanism coordinates the follow-up to complaints received by the EO concerning the EIB Group's actions, decisions or omissions.

The Complaints Mechanism is also a member of the [Independent Accountability Mechanisms Network](#) composed of the independent accountability mechanisms of the main IFIs. It provides to the participating accountability mechanisms a cooperation and exchange platform, including collaboration on complaints related to co-financed projects.

## INVESTIGATIONS

International cooperation is a key factor in combating fraud and corruption effectively. There are indeed limits to what the EIB Group can achieve on its own and within its mandate. International cooperation and referrals are key to increasing the Group's capacity to deter prohibited conduct and advance investigations.

The Investigations Division cooperates closely with the European Anti-Fraud Office (OLAF) and the European Public Prosecutor's Office (EPPO), and refers to them all appropriate matters for their independent assessment. It also refers appropriate cases to the Luxembourg Financial Intelligence Unit through the EIB and EIF Heads of Compliance.

Under the EIB Group Anti-Fraud Policy, IG/IN may also refer suspected prohibited conduct to national authorities within or outside the European Union for further investigation and/or criminal prosecution, and provide further assistance as requested. Such national authorities include law enforcement bodies, prosecution offices and anti-corruption agencies. The Bank is also strengthening its cooperation with Europol to reinforce its coordination capabilities with national law enforcement offices on cases where fraud and corruption are suspected in EIB projects and activities.

IG/IN's cooperation and information-sharing practices extend to the investigation offices of other IFIs. The EIB has made a strong commitment to this cooperation by signing the IFIs' Uniform Framework for Preventing and Combating Fraud and Corruption in 2006 along with the African Development Bank Group, the Asian Development Bank, the European Bank for Reconstruction and Development, the International Monetary Fund, the Inter-American Development Bank Group and the World Bank Group.

## EVALUATION

The main stakeholder of the Evaluation Division is the [Evaluation Cooperation Group \(ECG\)](#), the association of evaluation departments of all main IFIs. The ECG was established in 1996 following an assessment initiated by the presidents of five major multilateral development banks to promote mutual learning and sharing of experience on evaluation methods and products, as well as the adoption of good practice standards for evaluation. EIB held the annual rotating chair of the ECG in 2020, organising two high-level meetings for the heads of independent evaluation functions as well as a series of virtual events.

As an observer within the OECD Development Assistance Committee (DAC) Evaluation Network (EvalNet), the Evaluation Division participates in the network's regular meetings which aim to improve development results and facilitate collaboration between members. It is also a member of the Blended Finance Working Group, set up to develop common practices on how to evaluate blended finance operations.

The Evaluation Division is a member of the [European Evaluation Society \(EES\)](#) and actively contributes to EES's mandate to stimulate, guide and promote the theory, practice and utilisation of evaluation in Europe and beyond.

# CONTACTS

## ⇒ How to lodge a complaint with the Complaints Mechanism?

- Via the online Complaints Form: <https://www.eib.org/en/infocentre/complaints-form.htm>
- By e-mail: [complaints@eib.org](mailto:complaints@eib.org)
- By phone: +352 4379-14005
- By letter: Complaints Mechanism, 98-100 Boulevard Konrad Adenauer, L-2950 Luxembourg
- Visit <https://www.eib.org/en/about/accountability/complaints>

## ⇒ How to lodge a procurement complaint with the Procurement Complaints Committee?

- Please submit a fully completed form to the following email address: [procurementcomplaints@eib.org](mailto:procurementcomplaints@eib.org)
- The form is available on the EIB website: <https://www.eib.org/en/about/documents/project-procurement-complaints-form.htm>

## ⇒ How to report an allegation of prohibited conduct to the Investigations Division?

- Via the Reporting Form on Prohibited Conduct: <https://www.eib.org/en/infocentre/anti-fraud-form.htm>
- By email to [investigations@eib.org](mailto:investigations@eib.org)
- By letter to the Head of the Fraud Investigations Division, European Investment Bank, 100 Boulevard Konrad Adenauer, L-2950 Luxembourg
- Visit <https://www.eib.org/en/about/accountability/anti-fraud>

## ⇒ How to contact the Evaluation Division?

- Send an email to [evaluation@eib.org](mailto:evaluation@eib.org)
- Visit [www.eib.org/evaluation](http://www.eib.org/evaluation) to consult their reports





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