



European
Investment Bank

BoD/564/23
12 July 2023
PV/23/05

BOARD OF DIRECTORS

**Minutes of the meeting held in Luxembourg on
Wednesday, 15 June 2023**

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5.5 (protection of commercial interests) and 5.6 (protection of the Bank's internal decision-making process), have been replaced by the symbol [...]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	Mr R. MOURINHO FÉLIX
Ms L. PAVLOVA	Mr K. PEETERS
Mr T. ÖSTROS	Ms G. VIGLIOTTI
Ms T. CZERWIŃSKA	

Directors:

Mr K.J. ANDREOPOULOS	Ms E. KALLENBACH
Mr L. BARANYAY	Mr A. KUNINGAS
Ms S. BELAJEC	Ms M. LACOUÉ-LABARTHE
Ms A. BJÖRNERMARK	Ms N. MARIN
Mr F. CARTAXO	Mr P. PAVELEK
Mr D. CARVILLE	Mr E. RUIZ DE VILLA SAIZ
Mr P. DEBATTISTA	Ms K. RYSAVY
Mr A. EBERHARDS	Ms K. SARJO
Ms E. FLORES GUAL	Ms J. SONNE
Mr P. FRÖHLICH	Mr D. TRAKELIS representing Mr EBERHARDS as of item 22
Mr A. GYÖRGY	Ms F. UTILI
Mr K. KAKOURIS	

Expert Members:

Mr G. GOBBI	Mr J. LEOPOLD
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Alternate Directors:

Ms A. af URSIN	Ms P. MAMO
Ms G. BEREMSKA	Mr N. MANTZOUFAS
Ms S. BLOMENHOFER	Ms F. MERCUSA
Ms R. CAETANO	Mr M. PHILIPPOT
Ms B.F. CUCU	Ms E. PITTA
Ms E. de BEAUCÉ	Mr M. POLÓNYI
Mr J. de BOER	Mr C. REININGER
Ms I. GARAYO ORBE	Mr M. TABACZAR, representing Mr PATKOWSKI
Ms U. GRMEK	Ms J. UZIELIENE
Ms L. HALBRECQ	Ms S. VALTONEN
Mr R. HŘEBÍK	Ms A. ZITCERE
Ms R. LAIGO	Ms A. ZORIĆ



Alternate Expert Members:

Mr A. OPORTO

Secretary:

Ms B. BALKE

Ms E. BOIS-WILLAERT

Mr M. DOWGIELEWICZ

Ms A. VATIKIOTI

Those notified absent

Directors:

Mr A. JACOBY

Ms M. PETROVA

Mr P. PATKOWSKI

Mr R. UYTERLINDE

Alternate Directors:

Ms A. EKSTAM

Mr M. MARQUES

Mr H. KAELBLE

Mr D. O'LEARY

Mr M. KLINGE

Ms F. ROMAGNOLI

Alternate Expert Member:

Mr O. BAILLY



The Chairman declared the meeting open at 09.45 a.m.

1. Quorum

The Chairman recorded that there was a quorum.

2. Agenda and declaration of conflicts of interest

The Chairman announced that item 9. [...] was withdrawn from the agenda. The agenda (Doc 23/174) was adopted with this change.

Mr Andrès Kuningas, Ms Riina Laigo and Ms Aija Zitcere declared a conflict of interest on item 12. [...] and Ms Francesca Utili for item 15. [...].

3. Approval of minutes of previous meeting (BoD/562/23)

The Board of Directors approved the draft minutes of the meeting held on 3 May 2023 (PV/23/04) including the comments made by Ms Halbrech and Ms Flores.

4. Statements by the Chairman

The Chairman thanked the full and alternate Board members whose mandate came to an end for their valuable contribution to the Board deliberations over the past years. He also announced the appointment of Mr José María Fernández Martín as General Counsel.

The Chairman informed the Board of Directors about the upcoming Board of Governors meeting taking place on 16 June 2023 and the latest Management Committee decisions on efficiencies, cost control, resource planning and analytics.

Strategy and Policy

5. Update on Strategic issues

The Bank's management gave an update on EBRD 2023 Annual Governors' meeting, the New Global Financing Pact Summit which is scheduled on 22 and 23 June 2023 in Paris, on issues related to the Post – Cotonou Agreement and on Ukraine.

A few Board members seized the opportunity to communicate their involvement in supporting Ukraine, including under the EU for Ukraine Trust Fund, and clarifications on the date for the trust fund to become operational were provided.



FOR APPROVAL

6. Implementation of the New Lending Delegation Framework: New rules for changes to operations after Board approval (Doc 23/185)

[...]

7. SESI Plus: Strategic European Security Initiative – Update after the first year of Implementation and Enhancement of the Scope (Doc 23/186)

The Management Committee invited the Board of Directors to take note of the implementation of the Strategic European Security Initiative (SESI) in 2022, and to approve the increased non-binding volume orientation for SESI of up to EUR 8 billion (vs. previously approved EUR 6 billion) during the current Multiannual Financial Framework period (2022-2027) as well as an expanded scope of SESI, without amending the Bank's current eligibilities.

Introducing the item, the Bank's management gave an overview of SESI's first year's implementation, emphasised the cooperation with the European Commission, the European Space Agency and North Atlantic Treaty Organisation and EIB's ambition to increase its lending activities in the defence and security sector.

The Board members welcomed the progress made and satisfactory results achieved. They were supportive of the increased ambition and extended scope, considering the geopolitical context and needs. They encouraged the Bank's management to communicate proactively on this initiative and to explore further the dual usage eligibilities and product palette.

Some positive views were expressed regarding EIB's work on cyber security, space, RDI, support to SMEs. The Board members explored the synergies with the other EU programmes. There were diverging views on exceptionally expanding the lending policy on excluded activities given the war in Ukraine. The Board members raised some questions on EIB's priorities on climate action, SMEs, innovation and cohesion inviting the Bank's management to focus on the commitments made.

The European Commission Board member gave an update on the Act in Support of Ammunition Production (ASAP) and the targeted final beneficiaries. She encouraged the EIB to step up the efforts on Pillar 2 and eligible projects already in the pipeline.

Thanking the Board members for their intervention, the Chairman recorded that the Board of Directors approved the SESI Plus: Strategic European Security Initiative – Update after the first year of Implementation and Enhancement of the Scope.

8. [...]



9. [...]

10. 2022 EIB Group Risk Management Disclosure Report (Doc 23/219)

The Management Committee invited the Board of Directors to approve the 2022 EIB Group Risk Management Disclosure Report which the Board Committee on Risk Policy recommended to the Board of Directors to approve. The 2022 EIB Group Risk Management Disclosure report provides qualitative and quantitative information about EIB Group's risk profile, risk management structure and risk policy as at end of 2022.

In the absence of discussion, the Chairman recorded that the Board of Directors approved the 2022 EIB Group Risk Management Disclosure Report.

FOR DISCUSSION

11. G20 MDB Capital Adequacy Framework review: Update (Doc 23/207)

The Management Committee invited the Board of Directors to discuss the G20 Multilateral Development Banks (MDB) Capital Adequacy Framework Review (CAF Review) presenting the progress made with respect to the recommendations.

In his opening remarks, the Chairperson provided an update on the reporting template to the G20 International Financial Architecture (IFA) Working Group and the Global Emerging Markets (GEMs). He also announced that the Board would shortly receive a proposal for a change to EIB's statute related to the gearing ratio.

The Board members highlighted EIB's unique status vs other MDB's participating to CAF review and questioned the governance perspective of receiving the document so late in the process and in parallel to the MDBs meeting. Some deliberations took place on risk transfer and mobilising private financing. Some Board members expressed their concerns in removing the gearing ratio from the statute while others welcomed the approach as part of EIB's Risk Appetite Framework, Best Banking Practices adaptations and robust capital adequacy.

The Board members recognised EIB's leading role on GEMs. Following their request for well-defined deliverables, timelines and cost impact analysis, the Bank's management provided details including on the complexity of aggregation, ownership and confidentiality of data beyond EIB's remit.

In his concluding remarks, the Chairman recorded that the Board of Directors took note of the G20 MDB Capital Adequacy Framework review: Update.



Operations/Other operational questions

Operations within the European Union

Investment Loan

12. [...]

13. Galati Solid Waste Infrastructure (RO) (Doc 23/188)

Borrower: CONSILIUL JUDETEAN GALATI

Max. amount: EUR 15m

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

14. [...]

15. [...]

16. [...]

17. Engie Green Capex Program (FR) (Doc 23/192)

Borrower: ENGIE

Max. amount: EUR 525m

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

Operations outside the European Union

Investment Loan

18. [...]

Multiple Beneficiary Intermediated Loan

19. [...]



Other Operational questions

- 20. Proposal for an increase in the EIB Group REPowerEU package in response to the EC Green Deal Industrial Plan (GDIP) and the call from the European Council to fully exploit EIB Group potential (REPowerEU+) (Doc 23/197)**

[...]

- 21. REPowerEU Monetisation - New Mandate Initiative (Doc 23/198)**

The Management Committee invited the Board of Directors to Approve (i) the set-up of the new REPowerEU Monetisation mandate initiative for the EIB services related to the monetisation of the EU Emission Trading System allowances to fund the REPowerEU, and (ii) the signature of the required contractual documentation with the European Commission.

In the absence of discussion, the Chairman recorded that the Board of Directors approved the REPowerEU Monetisation - New Mandate Initiative.

- 22. [...]**

- 23. Cohesion Fund FL IV - Allocation to sub-project Rakos Hatvan Railway Line (HU) (Doc 23/200)**

Borrower: HUNGARY

Max. amount: EUR 167.50m

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

- 24. Romania EU-Cofinancing for Transport 2014-20 Allocation to Lugoj-Deva Motorway II (RO) (Doc 23/201)**

Borrower: ROMANIA

Max. amount: EUR 113m

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



25. Thematic Green Transition (InvestEU VD) and Debt PL Allocation to Eldrive-Charging Station Network (IEU-GT) (RO, LT, BG, LV) (Doc 23/202)

Borrower: EMOBILITY INTERNATIONAL AD

Max. amount: EUR 40m

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

26. Jordan Water Sector Framework Loan Allocation to Bani Kenaneh Water Supply Project (Jordan) (Doc 23/195)

Borrower: HASHEMITE KINGDOM OF JORDAN

Max. amount: USD 67.18m (approx. EUR 62.08m)

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

27. Netz Elbe Spree Rolling Stock (DE) – Change(s) after Board approval (Doc 23/203)

Borrower: AMOZELA VERMIETUNGSGESELLSCHAFT MBH & CO. MOBILIEN KG and NETINERA DEUTSCHLAND GMBH

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

28. Road Rehabilitation and Safety (Serbia) – Change(s) after Board approval (Doc 23/204)

Borrower: REPUBLIC OF SERBIA

Max. amount: EUR 185m

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

29. Modernisation Etablissements Scolaires II (Tunisia) – Change(s) after Board approval (Doc 23/205)

Borrower: REPUBLIC OF TUNISIA

See also item 19. Tunisie - Relance Economique (Tunisia).

The Bank's management clarified how the project was downsized to fit the budget's revised state needs.

In the absence of any further comments, the Chairman recorded that the Board of Directors approved the financing proposal.



Reporting

For Discussion

30. Monthly update on the European Investment Fund

The Board was briefed on recent strategic discussions held at the EIF Board of directors on human capital and digital ambition, both being at the heart of a transformation journey led by the Chief executive, as well as on operations approved under the European Tech Champions Initiative mandate and on the extension of the geographic scope of the InvestEU-EU compartment to two new EFTA countries: Norway and Iceland.

The Deputy Chief executive presented the key figures associated to the business delivery, highlighting good results for innovation and climate policy objectives, and a strong pipeline for the year. Risk metrics and financials were also touched upon, and information on the implementation of two important mandates – the Risk Capital Resources mandate and the Climate and Infrastructure Funds mandate – provided. Clarifications were also given on the potential impact that a contribution of the EIF to the REPowerEU+ initiative may have, in particular on statutory risk limits.

In the absence of further comments, the Chairman recorded that the Board of Directors took note of the update provided on the EIF matters.

31. Investigations Activity Report 2022 (Doc 23/206)

The Management Committee invited the Board of Directors to take note of the EIB Group Investigations Activity Report for 2022 and discuss the emerging lessons.

The Chairman presented the highlight of the 2022 Investigations Activity Report, insisting on the EIB Group continued effort to ensure that funds intended to support the European and non-European economies are not diverted by fraud and corruption. The role of the EIB Group staff in that respect was mentioned as key, representing the vast share of the cases reported to the Inspectorate General.

The Board members welcomed the report and commended the work done, asking the Bank's management to continue paying attention to reducing fraud risks on projects. They received clarifications on a few concrete cases and implementation of related remedial actions, as well as on the tool used for corruption risks in procurement processes and on lessons learnt from participating to the international investigators conference. Some Board members noted the increased number of fraud allegations within the EU and, for operations outside of the EU, enquired whether additional partnerships with third countries is contemplated. Finally, the Board underlined the importance for it to be timely alerted, in case of issues arising or mentioned – sometimes inaccurately – in the media and encouraged the Bank to consider further enhancing the transparency of the information provided in the annual report and/or to be communicated



publicly, such as disclosing the name of companies excluded based on findings of prohibited conduct.

The Bank's management confirmed that entities subject to an exclusion decision to date can be found on EIB's website.

Miscellaneous

32. Date of the next meeting:

The Chairman announced that the next meeting would be held on Wednesday, 12 July 2023 in Luxembourg starting at 9:30.

The Chairman declared the meeting closed at 15:50 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 3 May 2023, of the following proposals submitted by written procedure:

Approval on 24/05/2023

Operational Questions

i. New General Conditions of the European Western Balkans Joint Fund (EWBJF) and role of the EIB under the Western Balkan Investment Framework (WBIF), including IPF (Doc 23/178)

Miscellaneous

ii. Composition of the Board Committees (Doc 23/173)

iii. Update and Review of the Best Banking Practice (BBP) Book (Doc 23/179)

Approval on 15/06/2023

Miscellaneous

iv. The Lending Base Rates (The “Blue Curve”) Applicable in June 2023 (Doc 23/227)