

Dr Werner Hoyer
President

Ms Emily O'Reilly
The European Ombudsman
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67001 Strasbourg
France

EXP BEI - EIB
A 002302 30.SEP 20

Luxembourg, 30 September 2020

Re: SI/3/2020/SF - Transparency of the EIB's COVID-19 crisis response

Dear Ms O'Reilly,

I refer to your letter of 20 July 2020 in which you inform me of the above-mentioned strategic initiative. In your letter, you recognise the important role the EIB Group plays in helping deal with the economic fallout and the fact that, in the extraordinary circumstances created by the pandemic, the EIB Group has to react in an expedited manner. As part of your strategic initiative, you would like to receive more information on how the EIB Group ensures that high standards of good administration and transparency are maintained while adopting important crisis measures.

In response to the Covid-19 crisis, and as part of a wider pan-European response, the EIB approved a comprehensive package of operational emergency measures and exceptional eligibilities for Covid-19 related operations ("Covid-19 Measures").

This package sets out to primarily support public sector counterparts backing healthcare and vulnerable economic sectors, as well as SMEs and MidCaps through financial intermediaries, and larger companies active in medical supplies, pharma and sectors related to the emergency. SME and MidCap support through financial intermediaries, therefore, represents one of the pillars of EIB response to the Covid-19 crisis.



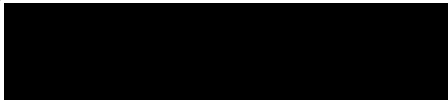
The Covid-19 Measures approved by the EIB aim to increase the capacity of the Bank to respond in a flexible and rapid manner to the crisis; they can be applied to existing and new transactions by accelerating signatures and disbursements of operations, increasing the EIB financing amount of projects and broadening EIB eligible expenditures.

Your strategic initiative confirms my view that effective communication with the public is crucial for the European Investment Bank's response to the pandemic to be widely understood and supported. The EIB is committed to ensuring an effective response to the COVID-19 crisis without jeopardising the high standards of good administration and transparency of the EU Bank.

Since some parts of your letter refer to the EIB Group, I would like to clarify that the European Investment Fund (EIF), which is part of EIB Group, is a separate entity with its own governance. The EIF Chief Executive acts independently in the EIF's best interests, he is responsible for the day-to-day management of EIF and is accountable to the EIF Board of Directors. For this reason, the EIB understands your request as concerning the EIB's crisis response only.

Please find attached the EIB's response to your questions. I remain available for any further clarification you may request.

Yours sincerely,



Enclosure: 1



Annex 1 – EIB's response to the EO questions in the context of its COVID-19 crisis support measures

Fast-track decision-making procedures applied by the EIB:

Q. How will the EIB ensure transparency in fast-track procedures related to the above-mentioned economic support measures?

A. To request approval of new Covid19 operations, submission to the EIB Governing Bodies is possible under the Fast-Track procedure, i.e. a streamlined procedure allowing for a faster approval of such operations. "Fast track" procedure in the context of the EIB's COVID-19 crisis support measures thus refers to procedural arrangements designed to ensure a prompt operational response of the Bank. It applies to both public and private sector operations, and includes in particular support to SMEs.

The EIB ensures transparency of COVID-19 operations in line with the EIB Group Transparency Policy (EIB-TP),¹ as explained below.

In addition, in order to enhance transparency, the EIB has created a dedicated webpage with information concerning its response to the COVID-19 crisis. (<https://www.eib.org/en/about/initiatives/covid-19-response/index.htm>)

Q. Will the EIB Group's transparency policy apply, whereby the EIB will publish project summaries three weeks prior to approval? If not, please describe the approach to transparency that will be taken instead.

A. The EIB-TP applies to all EIB operations. Therefore, operations related to the COVID-19 crisis and benefiting from "fast-track" procedures are subject to the EIB-TP provisions, including those regarding the publication of project summaries.²

Project summaries of the majority of fast-tracked operations that have been approved by the Board so far were published at least three weeks ahead of the Board approval. In some other cases, the need to provide a rapid response has implied that project summaries could only be published at a later stage. Whilst noting that the EIB-TP provides some flexibility about the timing of the publication of project summaries, the EIB applies best efforts to publish them as soon as possible in line with the EIB-TP.

¹ <https://www.eib.org/en/publications/eib-group-transparency-policy.htm>

² See Art. 4.5 to 4.9, EIB-TP.



Eligibility criteria for the COVID-19 economic support measures:

Q. How will the EIB Group ensure that the established eligibility criteria for the COVID-19 economic support measures will be applied coherently by the participating financial intermediaries?

A. EIB Covid-19 economic support measures are applied coherently. SMEs and Midcaps that have suffered from the Covid-19 crisis can all benefit of Covid-19 Measures; the latter are applied by participating financial intermediaries without restriction and discrimination among the eligible recipients.

Q. Will these criteria be stipulated in the financing agreements with the intermediaries?

A. The SME/Midcap eligibility criteria under Covid-19 response are being communicated to all intermediaries in form of standardised documents (Side Letters) forming part of contractual documentation under each loan concerned.

Q. Will the EIB Group establish guidelines for the financial intermediaries so that all SMEs will be assessed coherently when applying for financial support?

A. Besides listing the eligibility criteria, Side Letters indicate the reporting requirements for sub-loans to final beneficiaries in a transparent manner, thus creating a clear catalogue of requirements including explanatory notes. In case of additional questions from the Intermediaries, the standard communication lines with the EIB remain open.