

EIB President Werner Hoyer

European Investment Bank
Boulevard Konrad Adenauer 100
Luxembourg

JOINT CIVIL SOCIETY LETTER

Urgent action needed on the draft EIB Environmental and Social Sustainability Framework

Dear President Hoyer,

We, the undersigned civil society organisations (CSOs), are closely following the ongoing review of the EIB's Environmental and Social Sustainability Framework (ESSF). In this context, we sent several joint CSO submissions highlighting concrete recommendations for the EIB to adopt a stronger set of policies and standards guiding its future operations.

With this letter, we want to highlight how urgent it is for the EIB to drastically amend its draft ESSF in the coming weeks. Indeed, we understand that the EIB Board of Directors is supposed to adopt the new ESSF in the coming months.

A major overhaul of the draft ESSF is necessary for the Bank to uphold its commitment to support the sustainable development of the countries where it operates. What is needed is more than technical improvements to the draft Environmental & Social Policy and the 11 Standards attached to it. If the ESSF is adopted in its current form, it would fail to make the EIB a responsible lender and would largely undermine the Bank's welcomed commitments to become the "EU Climate Bank".

In particular, we urge you to consider the following recommendations:

- 1 The Policy must reinforce the EIB's responsibility to conduct due diligence and monitoring of its operations.** For instance, the Policy needs to state that contractual clauses will enshrine the Standards in all EIB operations - including intermediated ones, and that the EIB will not approve any direct operation until the Standards are fully met, and until any required Environmental and Social Impact Assessments (ESIAs) are completed.
- 2 The EIB should drastically reinforce its commitments and procedures on human rights.** We urge the EIB to concretely integrate human rights due diligence, including the requirement for promoters to conduct Human Rights Impact Assessments when risks are identified by the EIB, in the ESSF. In addition, the EIB needs to commit to develop a specific human rights strategy - and a related action plan - as it has already done regarding gender. We attach to this letter a [more detailed set of recommendations](#) for the EIB on the matter. In addition, we highlight that the Office of the High Commissioner on Human Rights of the United Nations has provided the EIB with many recommendations echoing similar concerns.

- 3** **The EIB must make meaningful public participation a priority area of its planning, appraisal and monitoring processes, and should not leave all responsibilities to the project promoter.** We call on the EIB to reinforce its monitoring over stakeholder engagement in all projects it finances, with specific attention to the Free Prior Informed Consent (FPIC) of Indigenous communities. Project promoters are not qualified to both conduct and oversee their community engagement approaches, and EIB's current hands-off approach is not duly diligent.
- 4** **The Policy must clearly state the obligation for projects to be in line with EU law** in section 4.4. EU law is currently mentioned only in passing in the Policy and it is much less clear than in the existing Statement which is to be superseded by the Policy.
- 5** **Standard 4 on biodiversity and ecosystems should be aligned with the EU Habitats Directive and 2030 Biodiversity Strategy.** In times of accelerating mass extinction of wildlife on Earth, the EIB should not finance projects that could have harmful impacts on any protected natural habitats and habitats of species, inside or outside the EU. The concept of 'No Net Loss of Biodiversity' in the standard should be substituted by "No Loss of Biodiversity" as the word 'Net' allows the destruction of biodiversity in a particular place, on the assumption that biodiversity will be protected somewhere else. Additionally, the most endangered ecosystems should be No Go Areas - primary forests, high mountains, free flowing rivers, wetlands, reefs, etc.
- 6** **Standard 11 on intermediated finance needs serious improvements.** The EIB's intermediated operations must be subject to the same environmental and social standards, due diligence, monitoring and transparency as its direct lending. The Policy and Standards must oblige intermediaries to refer higher-risk sub-projects to the EIB for due diligence (eg. those falling under Annex I and II of the EU EIA Directive) and must define which projects fall into this category. Information on the name, sector and location of all medium and high risk sub projects must be disclosed by both the EIB and the intermediary, to allow relevant information to be brought to the EIB and the intermediaries' attention in a timely manner and to enable public scrutiny and accountability.

As the President of an institution which aims to be a leader in the sustainability field and to be a central player in the EU development finance landscape, it is your responsibility to act. The credibility of the EIB's sustainability commitment is at stake. The published drafts of the new Policy and Standards, if adopted, would leave the Bank lagging far behind its peers including the International Finance Corporation (IFC) and the European Bank for Reconstruction and Development (EBRD).

In public speeches, you have repeatedly emphasized that the values of the European Union and its human rights commitments are close to your heart, and to the hearts of the EIB staff. It is now high time to convert words to action.

As signatories of this letter we assure you of our support in the transformation of the EIB into an institution guided by a public mission to steer our economies onto a fair, equitable and sustainable path.

We will be looking attentively at how the EIB amends its draft ESSF, and we thank you very much for considering these crucial issues.

Yours sincerely,

SIGNATORIES



Accountability Counsel
Accountability Counsel



Arab Watch Coalition



Association Talasemtane pour l'Environnement et Développement



جمعية التونسية للحوضمة الم
Association Tunisienne de Gouvernance Locale



Both ENDS



CEE Bankwatch Network



Center for Transport and Energy



Christian Aid



Counter Balance

Defenders in Development campaign

Espace de Solidarité et de Coopération de l'Oriental



European network on debt and development

Eurodad



FIDH (International Federation for Human rights)



Focus



Gender Action

Jamaa Resource Initiatives



NomoGaia



Phenix Center for Economic Studies



Polish Green Network



ReCommon



Recourse



Urgewald



The center for Protection of the Natural Ecosystems in Albania



International Rivers