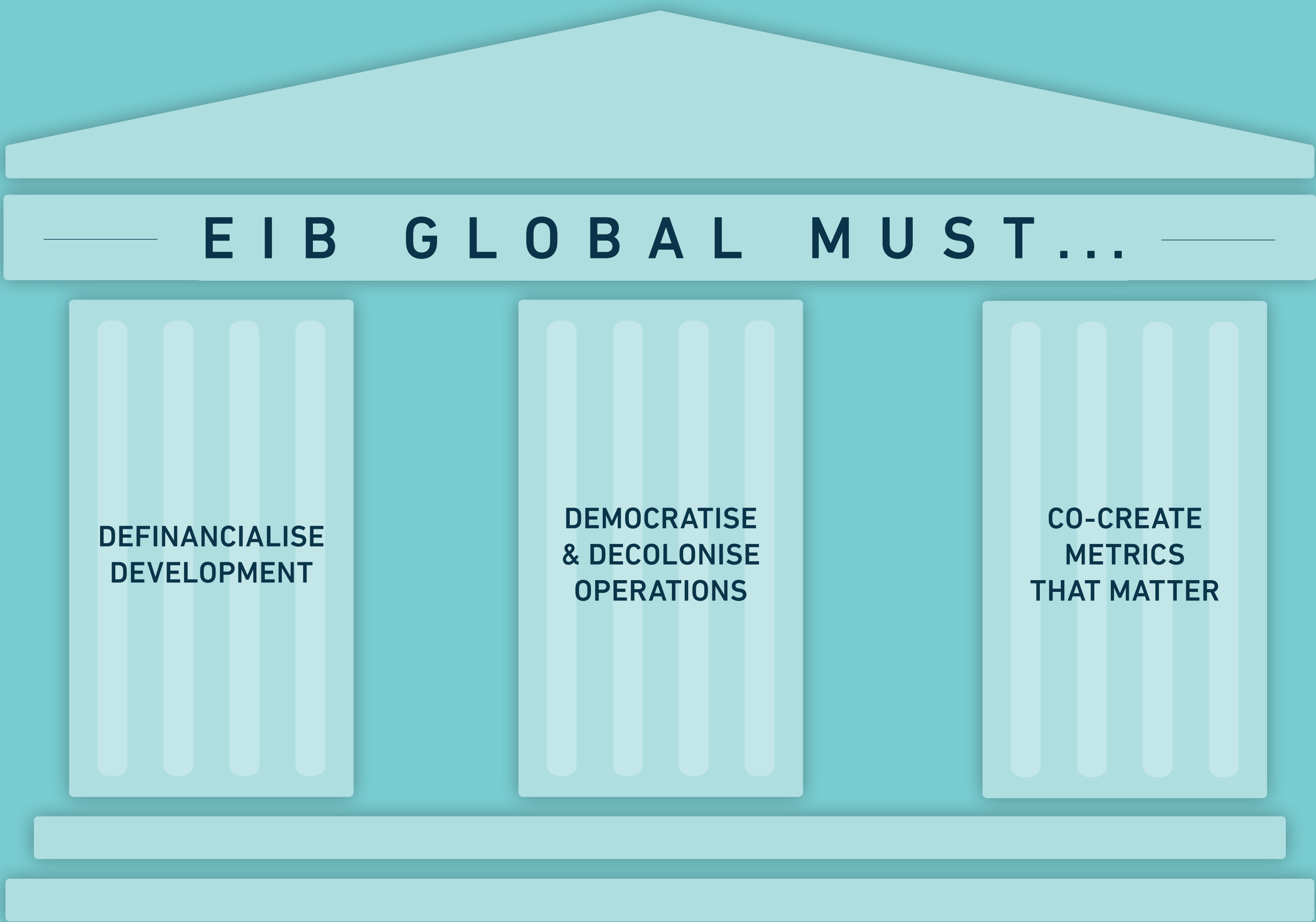
european network on
debt and development

Shaping the future of EIB Global

Reclaiming public purpose in development finance

Thomas Marois, SOAS University of London • May 2022



Contents

This report has been co-funded with the financial assistance of the European Union. Its contents are the sole responsibility of the author, and can in no way be taken to reflect the views of the European Union or any other funder.

Acknowledgements

This report was written by Thomas Marois (SOAS University of London), comissioned by Eurodad and endorsed by CEE Bankwatch Network and Counterbalance.

This report has benefitted from the insightful guidance and support of Eurodad's Farwa Sial and María José Romero. Invaluable feedback and comments were generously provided by Jean Saldhana (Eurodad), Anna Roggenbuck (Bankwatch) and Xavier Sol (Counter Balance).

Copy editing: Vicky Anning

About the Author

Thomas Marois is a Reader in Development Studies, SOAS University of London, who specialises in political economy. He researches public banks and the financing of green & just transitions. Thomas is author of the book, *Public Banks: Decarbonisation, Definancialisation, and Democratisation*, published in 2021 by Cambridge University Press.

Preface

The European Investment Bank (EIB) has become a significant player in the field of development finance over the last decade. Its role is pivotal to the European Union's external financing and development toolbox, which is becoming increasingly focused on investment.

Indeed, the bank stands at the heart of various investment plans driven by the European Union (EU). For example, it is the sole implementer of investment windows dedicated to lending to sovereign and sub-sovereign entities under the new European Fund for Sustainable Development Plus (EFSD+). Also, it will be competing with other public banks to access guarantees from the EU budget to support the private sector.

In 2022, the EIB created a new development branch called EIB Global. The EIB President portrays this as "*our new arm for international partnerships and development finance [which] aims to further enhance impact and visibility of EU investments worldwide. We are placing more EIB bankers, engineers and economists on the ground, working within EU delegations, and are working hand in hand with the European Commission in the delivery of key EU global and regional policies*".[1]

The main features of this new branch include:

- The creation of a new advisory group to guide the EIB board and define policies and strategies.
- Plans for enhanced regional presence, for instance, through a regional hub for East Africa in Nairobi, Kenya.
- No new cost allocation, which would result in more funding for external lending.
- Focus on development impact with a concrete role for the private sector and pursuing higher risks.

Apart from these announcements, there is limited information on EIB Global in the public domain. The aim of this paper – commissioned by Eurodad and endorsed by Counter Balance and CEE Bankwatch Network – is to contribute to an informed dialogue on the most appropriate ways in which EIB Global can operate as a public development bank. As civil society organisations that have been monitoring operations of public development banks for years, we consider it crucial to hold these institutions accountable and make sure that they truly operate in the public interest.

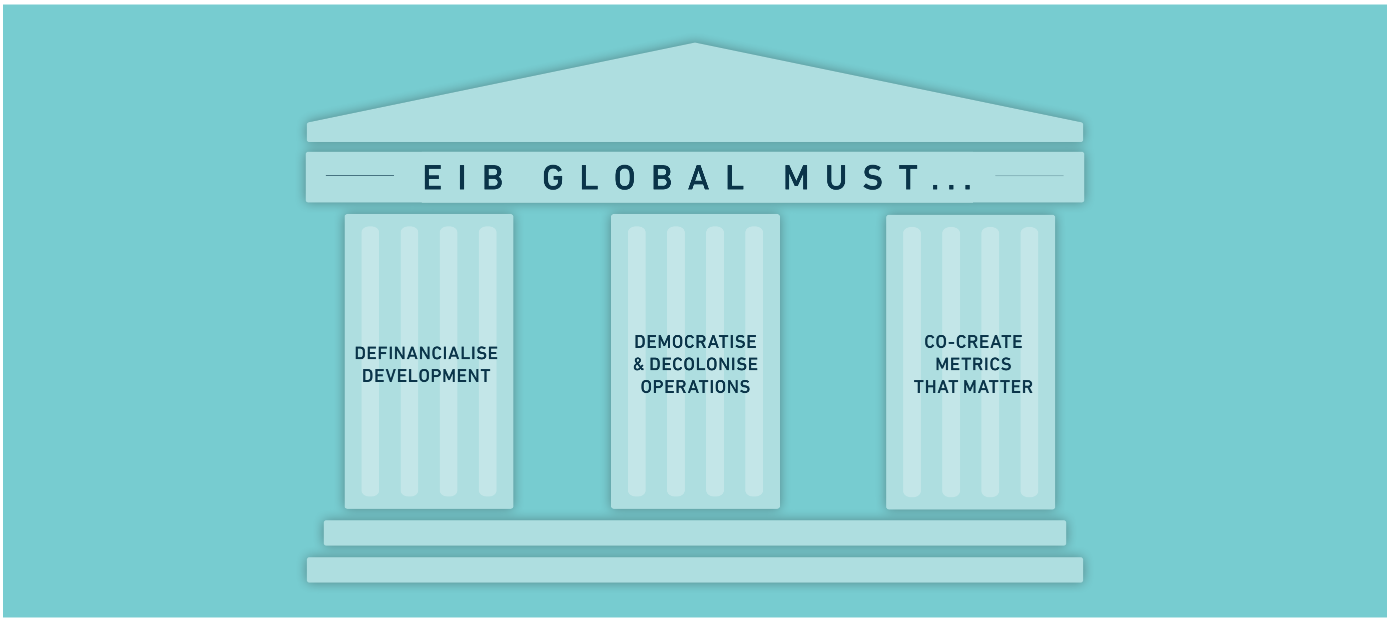
In fact, the creation of this new development branch raises many issues and questions that are explored in this paper:

- The EIB operations outside Europe are based on the general principles guiding EU external action as set forth in Article 21 of the Treaty on the European Union, such as supporting democracy and the rule of law, human rights and fundamental freedoms. To be a development bank, can EIB Global demonstrate that its operations are focused on a pro-poor sustainable development agenda, in line with the above-mentioned principles?
- At the moment, it is hard to see how EIB Global sets the development agenda as a priority of its core operations rather than acting as a tool of economic diplomacy and geopolitical interests for the EU. EIB Global's stated objectives – such as increasing the impact of development finance, innovative finance, climate action and economic resilience – are not backed with a vision of a financing model and explanations of how it will differ from the model pursued by the EIB up until now.
- The business model of the EIB Global is largely to move massive volumes of financial flows with limited staffing and no additional financial resources. Can this approach ever be reconciled with its development objectives?
- There is little participation of recipient countries in the bank's decision-making process, since the EIB governance structure is centred around its shareholders (the EU Member States) and European institutions (via the representatives of the European Commission and European External Action Service in its Board of Directors, for example). The EIB's governance structure to strengthen participation of recipient countries and communities therefore remains unaddressed.

EIB Global must pursue public purpose goals, building in and on renewed mandates and processes that institutionalise democratic values and equitable development processes. It should not prioritise private financial investor interests. Citizens, communities, civil society organisations, and EIB shareholders, including EU Member States, have a role in making this possible. This is vital if EIB Global is to play an effective role in financing sustainable development in the wake of the Covid-19 crisis, and of the longer-term ambition to deliver on the Sustainable Development Goals (SDGs) and the Paris Agreement.

CEE Bankwatch Network
Counter Balance
Eurodad

Main messages of the report: Public purpose and recommendations



FIRST PILLAR
DEFINANCIALISE DEVELOPMENT

Recommendations

Abandon the goal of de-risking private finance and the "maximising finance for development" agenda, in favour of public interest strategies.

Definancialise development by providing long-term, low-cost, appropriate public finance.

Develop a robust public-public financing framework to enhance local infrastructure building and public sector capacity in the global south.

Adopt a long-term goal of fostering stronger local public institutions and services.

SECOND PILLAR
DEMOCRATISE & DECOLONIALISE OPERATIONS

Recommendations

EU Member States should task EIB Global with developing a formal democratised and decolonised finance policy.

EU Member States should provide EIB Global with sufficient policy steer and financial resources to monitor and implement the principle of subsidiarity and processes of Free Prior and Informed Consent (FPIC) in collaboration with affected communities.

Start building an institutional culture of development finance that understands democratisation and decolonialisation as integral to long-term, stable, equitable and sustainable development.

Develop metrics that show progress towards democratised and decolonised finance for development.

THIRD PILLAR
CO-CREATE METRICS THAT MATTER

Recommendations

EU Member States must commit EIB Global to developing a policy framework creating metrics, benchmarks and assessments that matter for democratic, definancialised, sustainable, decolonial and equitable development.

EIB Global policy needs to set out transparent processes for the co-creation of dynamic metrics with affected communities in the global south that apply to the life of investment projects.

EU Member States need to allocate sufficient resources to EIB Global so it has the internal capacity and appropriate expertise to assess and show the impacts of investment decisions and to carry out effective due diligence procedures with sufficient supervision and monitoring mechanisms.

Introduction

Finance and development are intertwined. The challenge of amassing the right amounts and kinds of financing that are needed to build infrastructure, support trade and industry, enable high-quality public services, grow agriculture, foster community and so on is well known. However, finance left to its own will accomplish little more than amassing more finance. For finance to have a truly sustainable and equitable development orientation, it must have a public purpose that is decolonialised and democratically grounded. Yet, more than 40 years of market-oriented development finance policy have bent the meaning of public purpose towards private interests. For advocates of this dominant approach, like the World Bank, this means using public money to de-risk private investments in the hopes that public support will maximise private financial flows into development projects. This is the vision of the newly inaugurated development branch of the European Investment Bank, EIB Global, launched in early 2022. This is a very problematic vision and it will prove incapable of enabling a global green and just transition for all.

This policy brief aims to support civil society organisations and EU Member State shareholders in reshaping the future of EIB Global. It argues that EU Members States need to reclaim the public purpose of EIB Global's finance capacity. To do so, the EIB Member States must demand a change of course in EIB Global and a reset in its foundations. For the bank to be a truly developmental player that is committed to upholding the values of the EU, the institution needs to embrace a democratic and decolonial approach to development finance in the global south. If EIB Global fails to do so, the bank and its Member States risk reproducing the environmentally, socially and economically damaging development finance strategies of the past.

A reclaimed public purpose for EIB Global rests upon three inter-dependent pillars that need to be built by its shareholders – the EU Member States. This briefing supports the construction of those pillars. It begins with short primers into the history of development finance and of public purpose finance. The brief then moves towards building support for the first pillar, "definancialised financing". The second pillar elaborates on "democratised and decolonialised operations". Finally, the third pillar supports "co-created metrics and assessment". Take any one pillar away from EIB Global, and the edifice of public purpose development finance in the public interest rests on shaky foundations.

A brief history of finance for development

The contemporary history of finance for development across the global south is complex and often fraught. Financial capital enabled European colonial ambitions in Africa, the East and across the Americas seeking to profit from the extraction of resources and the exploitation of entire populations through its involvement in everything from the rubber trade to sugar cane plantations to the underlying slave trade and support for war-making well into the twentieth century).[2]

By the early twentieth century and following World War II, finance systems and banking institutions emerged as sites of struggle for national independence and decolonisation across the global south. National liberation involved throwing off financial subordination and debt dependence on Europe. The forms of resistance varied considerably according to context, but in many cases, it involved nationalising powerful colonial banks and creating new national public banks charged with catalysing domestic industrialisation and developmental plans.[3]

In consequence, public banks were at the forefront of post-World War II state-led development processes in the global north and south. Estimates suggest that up to 40 per cent of the largest banks in the north were public banks, as were up to 65 per cent in the south.[4] Not all public banks were effective financiers of development, although many were. Nor were most post-war public banks bastions of democratic planning or transparent levers of public purpose. Public banks did, however, develop the capacity and expertise across jurisdictions to catalyse national developmental plans and to function as powerful agencies of public planning.[5]

The post-1980s neoliberal revolution and its strategy of export-oriented, market-based, privatised and financialised development challenged the place of public banks in development.[6] Privatisation of all things state-owned and public emerged as the vanguard strategy of maximising market discipline.[7] This extended to the sphere of finance for development as the World Bank – a state-owned multilateral development bank – prioritised an idealised vision of private finance for development and did so in the full knowledge that the "primary evidence" against public banks had been "anecdotal" since the 1980s.[8] Neoliberal champions urged broad-based bank privatisation, and even in cases where public banks were simply in need of reform, the only legitimate policy response advanced was wholesale sell-offs backed by World Bank structural adjustment funds.

Box 1: Background to the formation of EIB global

The launch of EIB Global as a "development branch" is the result of several deliberations by the EIB and other EU stakeholders. In 2017, EIB President Werner Hoyer first mentioned the possibility of creating a subsidiary dedicated to development. In December 2017, the idea was flagged to the European governments in a Council meeting but did not gather significant support from the EU finance ministers. In 2019, the Council set up the "High-Level Group of Wise Persons" (WPG) on the European financial architecture for development.[9] The WPG published its report in October 2019,[10] identifying three options for the future of European development finance:

- Option 1: Create the European Climate and Sustainable Development Bank (ECSDB) building on the EBRD and the external financing activities of the EIB
- Option 2: Create a new mixed-ownership European Climate and Sustainable Development Bank
- Option 3: Create the ECSDB based on a EIB subsidiary with a minority EIB shareholding.

Following this, the Council commissioned a study to "independently review the feasibility and conditions for the implementation of Option 1 and Option 3 of the WPG report".[11] The Council also requested a chance to analyse further possible enhancements in the current institutional set up, referred to as "Status Quo+", as one of the three scenarios to be reviewed by the study. In the end, the EU Ministers chose the third option and requested the EIB to "present improvements to enhance the development impact of its operations in partner countries".[12] In response to this, the EIB proposed the creation of EIB Global which was approved by EU Member States in September 2021.

Despite four decades of privatisation and free-market advocacy, public banks persist across the global south and global north as credible, if contested, public financial institutions.[13] Today there remain over 900 institutions worldwide commanding some US$49 trillion in combined assets, which equates to about 17 per cent of all banking assets, public and private combined.[14] Estimates of specifically public *development* banks point to more than 500 entities with nearly US$19 trillion in assets.[15] Public banks of all types have been shown to be effective at counter-cyclical lending and responding to crises, including the global financial crisis, the crisis of sustainable finance, and the crisis of Covid-19 recovery – and they can be socially-responsive and representative, that is, democratic entities.[16] Indeed, while there remains room for improvement in any given case, the argument for the progressive potential of public banks for green and just development has been won, by and large, from the local to the multilateral levels, from the global south to the global north.[17]

This is not to suggest that public banks are no longer contested or pulled between competing interests. Neoliberal faith in private interests, multinational corporations and unhindered growth in global capitalist markets as *the* solution to development remains unshaken, if sometimes rephrased as green growth and entrepreneurial innovation. This remains the essence of the World Bank's so-called "Maximising Finance for Development approach",[18] and it appears to be disproportionately shaping the future of EIB Global's approach to development finance.[19]

The EIB Global development branch

The European Investment Bank is a public development bank. Established in the EU Treaties, it is *the* bank of the European Union. EIB portrays itself as both an investment bank and a global development bank. Moreover, it is the world's largest multilateral financial institution. Unlike other multilateral development banks, EIB does not count partner country governments among its shareholders. It is exclusively owned by the EU Member States and designed to pursue the goals and priorities of the EU. Like all public banks, the EIB has evolved and changed in response to economic events and to demands from the European community and civil society organisations.[20] In doing so, the EIB has responded to growing priorities for respect for human rights, the promotion of sustainable development, and, now, international development.

The creation of EIB Global is an attempt to reinforce the position of the EIB and of Europe in the global development finance architecture. EIB Global is thus not only an internal reflection of EU priorities to support development abroad but also an EU response to new contender global development finance institutions emerging from the global south – notably from China[21] (for a background on the EIB Global, see Box 1).

Salient features of EIB Global include the formation of an advisory group to guide the board and define policies and strategies. EIB Global has also announced plans to bolster its regional presence, notably in Nairobi, Kenya, following on EIB commitments in late 2021 to increase funding to business, to support fragile economies and to back housing investments.[22]

EIB Global's business plan and development impact strategy focuses, however, on enabling the private sector and pursuing higher risk investments. Initial indications are that EIB Global has doubled down on a failed neoliberal model of development finance aimed at de-risking private investments. This appears to be a more reactive and regressive strategy that is unlikely to deliver on a proactive and progressive green and just transition.

This is wholly avoidable. As EIB Global is in an early stage of design, there is an opportunity for EU Member States and civil society to influence its future. There is sufficient evidence and existing alternative practices of public development banks enabling development in ways that are more sustainable, inclusive and equitable than promised by EIB Global's strategy.[23] The first step involves reclaiming its public purpose so that it serves the public interest, not private financial interests.

Reclaiming public purpose

Public purpose is a contested concept. In general, public purpose refers to directions given and actions taken by a government or public authority. The actions and directions are intended to provide a benefit or service to a community, population or constituency as a whole or in some substantive measure. In practice, there is disagreement about what organisational form best realises public purpose. Views are often polarised between contending views on public or private entities. Can private enterprises be regulated to deliver public purpose activities?[24] Are public enterprises better at providing public purpose activities?[25] Are private firms more efficient providers? Is there an inherent link between public ownership and public purpose? The debate is ongoing.

On the one hand, neoclassical economists and neoliberal advocates argue that the delivery of public goods and services is best delivered through the market by private enterprises guided by some minimal public purpose guidelines.[26] Public enterprises might offer a second-best solution to private firms in some limited instances of "market failure". However, any public ownership must be weighed against the perceived greater risk of so-called government failures and what are understood as the inherent inefficiencies attributed to public ownership.[27] In this line of reasoning, neoclassical economists have promoted the view that "bureaucrats make bad bankers" in order to defend the deepening of private financial markets, motives and power in development finance.[28] In this world view, there are no purposes that are not motivated by private interests and individual concerns. Anything but a market-based policy approach to finance, regulation and development is idealistic and naïve.[29] This view reflects the dominant private interest view of finance for development, and it is largely embedded in the World Bank's policy framework to this day (with some modifications here and there).

On the other hand, development economists and scholars argue that public purpose objectives have not and cannot be delivered via the singular pursuit of private purposes by individuals and corporations.[30] This is because, as John Kenneth Galbraith noted decades ago, private corporations use their power and resources to the command of individuals and of the state, and the resources needed to further the needs and ambitions of the private owners and beneficiaries are incompatible with "those of the public".[31] Prefiguring today's debate on public banks de-risking private finance, Galbraith warned how private power and resources are used to garner "public support for private purpose".[32]

To question neoliberal faith in private interests as the driver of effective development finance is not to put blind faith in the state apparatus or public authorities. Nor is it to assume that public enterprises, by virtue of being publicly owned, are *essentially* "good". Public entities are only as good as the social forces that make them. They must be held to account by society as there is no certainty that the goals of public entities will necessarily accord with public interests.[33] Yet because these entities and institutions are located within the public sphere, a door opens to realising the potential benefits of public provisioning of goods and services, especially in terms equity, stability, sustainability and democratic accountability.[34]

To these ends, public purpose and the potential of the public sphere and services to realise public purpose need to be reclaimed in the public interest.[35] Policymakers and civil society organisations must focus on "restoring public purpose in policies so that they are aimed at creating tangible benefits for citizens and setting goals that matter to people – driven by public-interest considerations rather than profit".[36] Public banks, including the EIB, are no exception. All public banks within democratic societies have the *potential* to function according to public purpose and in the public interest. They do not need to privilege profit above people, planet and democracy.

Indications are that EIB Global is reflecting EU development finance priorities, which view the "public purpose" of the EIB in disproportionately private interest terms (e.g., de-risking strategies). Their public interest purpose needs to be reclaimed, as these EU priorities are the wrong priorities for a truly development- and equity-oriented public development bank.

EU Member States can make EIB Global pursue public purpose goals, building in and on renewed mandates and processes that institutionalise democratic societal values and equitable development processes rather than prioritising private financial investor interests. This will not come naturally to EIB Global – it will need to be commanded of it by civil society and by Member States. Public banks only ever exist and persist within "a particular public realm of possibilities" wherein "change becomes possible and is a result of social forces making it so".[37] Citizens, communities, civil society organisations and EIB Member State shareholders have a role in putting a public interest public purpose back into the future of EIB Global. It begins with definancialising EIB Global's financing business plan.

EU Member States can make EIB Global pursue public purpose goals, building in and on renewed mandates and processes

First Pillar: Definancialise development

To function with public purpose, EU Member States need to abandon EIB Global's business plan to de-risk private finance and instead promote definancialised development finance. This is a pillar of more stable, sustainable and equitable development. This necessitates a high-level reworking of European Commission commitments to financialised development strategies.

Currently, EIB Global is promising to de-risk private finance not only as its preferred pathway to development financing but as the ultimate pathway. As a result, EIB Global promises a business strategy that will disproportionately respond to the needs of private investors and intensify the financialisation of development.

Acting Managing Director of EIB Global Markus Berndt signals the embedded *private* purpose of EIB Global in clear terms: "The ultimate contribution that we can make as a financial institution is to take the private sector's concerns away from investing in certain markets and assets by leading the way".[38] This signals a primary concern for making development "bankable" to the private sector. This financialised investment thesis is that more private financial flows should spur economic growth and development.

EIB Global's de-risking strategy, as such, directly internalises the World Bank's "Maximizing Finance for Development" (MFD) strategy and the International Monetary Fund (IMF) and World Bank "Billions to Trillions" Agenda.[39] These approaches, supported by the EU's steer, are premised on the market-oriented view that public purpose and the common good can be best realised through private, profit-oriented actions.[40] The EIB (2022) states on its EIB Global billions to trillions approach:

> "In recent years, the European Investment Bank has invested more than €70 billion outside the European Union. The current crises require that these billions, and the investments of our international and national partner banks, be turned into trillions by setting up new partnerships, working with more global financial institutions and, most importantly, getting the private sector more involved. Developing countries alone need more than €2 trillion in extra annual investment to meet the UN Sustainable Development Goals and the Paris Agreement."[41]

The World Bank's above-mentioned agendas have been heavily criticised for failing to deliver on sustainability and instead fostering new sites of financialised accumulation for private investors.[42] The de-risking approach to development finance has been shown to raise flows of private development finance, but the approach also draws funds away from sectors and regions in need to support; private funds are not sufficiently funding the Sustainable Development Goals (SDGs); and public-private blending is often more expensive and costly for governments and communities.[43] Traditional development finance evaluations often do not capture the full impact of these private interest financial policies. The dominant EU/World Bank pro-market strategy thus offers little space for public banks to do much but enable private interests.

Importantly, the European Commission's support for this approach is also reflected in its own initiatives. The EU's External Investment Plan (EIP) coincided with the launch of the MFD,[44] leading to the establishment of a new facility – the European Fund for Sustainable Development (EFSD). The EFSD was designed to mitigate against a high influx of migration to Europe by focusing on the issues of socio-economic growth and development in fragile states. Enhanced investment opportunities for the private sector in projects were a major aspect of the EFSD, now strengthened under its most recent iteration – the EFSD+.[45] The European Commission's pro-private sector stance towards international development is also relevant in consideration to EIB Global's future operations, which will fall under EU mandates and guarantees from the EU budget.

EIB Global has been set up to pursue a performance metric wherein the amounts of private finance mobilised *in excess of public finance provided* somehow becomes *the* measure of development. This is the wrong approach, and it only promises to further enable and enrich those same private financial interests that both fostered the current development crisis and continue to prove unable to resolve the crisis of sustainable development financing. And yet EIB Global continues to travel further down this financialised pathway.

EIB Global's business strategy commits to other failed strategies of finance for development, namely microfinance.[46] Supporting microfinance for development in the global south forms part of its strategy to reach communities and local people outside the EU. EIB Global claims it is "working hard to support local microfinance institutions in regions where people often have no access to a bank". It substantiates this strategy on the claim that when "people can obtain credit, businesses employ more workers, women become independent, displacement is reduced and households can work their way out of poverty".[47]

As with pursuing bankable projects to leverage billions to trillions, so too with microfinance strategies to bank the poor (for private profit). The widely referenced 2011 systematic review of microfinance evidence, the Duvendack Report, concludes that the developmental benefits of microfinance are based on "foundations of sand".[48] Substantial evidence shows that for-profit, private interest-oriented microfinance lending programmes instead instrumentalise women and the poor in order to generate private financial returns. The result has been greater class-based inequality, greater economic and social instability, continued underdevelopment of communities and persistent poverty.[49]

EU Member States, through the EIB, have forced a financialised business plan onto EIB Global, and this plan purposively aims to expand and magnify the influence and opportunities for private investors to benefit from development in the global south. It needs emphasising that financialisation is a historically specific economic logic within global capitalism that is made and remade by individuals and collective agents.

Financialisation refers to the post-1990s intensified role of financial actors, motives and discipline in economic and social development – a role that is geared towards mobilising private financial capital to accumulate more capital for private individuals.[50] In doing so, financialisation has widened social inequality, accelerated ecological destruction and generated greater economic instability, while undermining the capacity and credibility of state institutions to steer development in the public interest.[51]

Financialisation has also had the long-term effect of causing public authorities to understand the public interest as increasingly tied to and delivered by the private interests of financial investors – exactly as illustrated in EIB Global strategies and by EU/World Bank priorities to de-risk private finance. The combined impacts of four decades of market-oriented neoliberal and financialised development strategies have been disproportionately detrimental for the overwhelming majority of people, including workers, under-served ethnic communities, Indigenous peoples, the poor, women, organised labour, economic stability in the global south and state capacity to deliver sustainable and inclusive development and to provide essential public services.[52]

The problems with financialised approaches to sustainable development are well-known within Europe. When reporting on sustainability financing, the European Commission think-tank, the European Political Strategy Centre, puts in bluntly: "Short-term profits continue to prevail over longer-term interests, placing future jobs and well-being at risk".[53] Private investors and the promise of carbon markets have failed to fund a global green transition by proactively financing technological advancements, low-carbon infrastructure and climate change mitigation and adaptation strategies at either the scale or pace needed, despite having all the necessary financial resources.[54]

EU Member States need to rethink and replace EIB Global's financialised and private investor de-risking strategies in favour of definancialised development and risk strategies that respond to the needs of sustainable and equitable communities. What sustainable and equitable development requires is patient, long-term, stable and supportive finance.[55] Public banks are ideally positioned to respond, if those who control them are conducive.[56] Historical evidence reinforces that public forms of long-term finance, often provided through development and universal public banks, have been vital to economic transformations in the global north and south.[57]

Box 2: Social developmental mandates: The Council of Europe Development Bank[58]

The Council of Europe Development Bank (CEB) is a public multilateral development bank. It is the only public development bank in Europe with an exclusively social mandate. It is an independent financial institution that is guided by the Council of Europe and its priorities. The CEB is owned by 42 Member States.

The Social Mandate of the CEB offers a definancialised pathway to financing development within Europe. The CEB explicitly commits itself to financing the implementation of socially oriented investment projects guided by the core priorities of inclusive growth, support to vulnerable groups and environmental sustainability.

The CEB is not strategically oriented towards de-risking or leveraging private investments as a way of financing Europe's enduring social and economic developmental challenges.

It treats de-risking strategies like public-private partnership financing with caution: "PPP projects, especially in the case of direct lending, might require extensive use of consultancy and legal services at considerable additional costs for the Bank. Depending on project, the CEB might consider charging fees to cover these additional costs."[59]

The CEB is strategically oriented towards offering flexible, long-term, low-cost financing for projects that promote social cohesion and are of social benefit.

Recent academic literature underscores the fact that state authorities can do more than just fix and de-risk markets but can and should instead "tilt" socio-economic change in new directions, including towards green and just transitions.[60] Public actors play a much more dynamic co-creating role in socio-economic development. This requires that state authorities foster in-house administrative and planning capabilities, that is, foster the expertise and skills necessary to have public institutions undertake purposive action towards an intentional end. Research also suggests that the EIB needs to commit to building up its internal capacity to realise sustainability challenges, like supporting circular economies.[61] However, public development banks must go further to support capacity building within communities and public institutions in the global south in ways that enable long-term sustainable development. This contributes to a public interest orientation for development finance.

There are institutional precedents in Europe of public banks demonstrating alternative pathways to that of EIB Global. The public multilateral development bank, the Council of Europe Development Bank (CEB), operates according to an explicitly social mandate geared towards providing flexible, long-term, low-cost financing for projects that promote social cohesion and are of social benefit (see Box 2). At the national level, the Dutch public banks, BNG, or the Dutch Municipalities Bank (*Bank Nederlandse Gemeenten*) and the Dutch Water Bank (*Nederlandse Waterschapsbank*, NWB), put patient, public financing for the public sector at the forefront of their business strategies (see Box 3 overleaf). The strategy of both banks is not to de-risk private finance but to instead focus on providing long-term, low-cost, low-risk and appropriate public financing for the public sector. These examples demonstrate that there is high-level political will and development finance precedents within Europe to the practice of public interest public finance. EU Member States can draw insights from these entities to reclaim EIB Global and to make the public, not private, interest its primary mandated priority.

Box 3: Patient, public mandates: Dutch public banks[62]

The Netherlands has two long-serving national public banks that specialise in providing long-term, low-cost, patient financing to the Dutch public sector (municipalities, water, energy, housing and so on).

The Dutch Municipalities Bank (BNG; *Bank Nederlandse Gemeenten*) was created in 1914. The BNG is s public bank whose public purpose is to support local authorities and public sector institutions by providing low-cost financing for the social provisioning of public services: "Instead of maximising profits, our priority is to maximise the social impact of our activities."[63]

The Dutch Water Bank (*Nederlandse Waterschapsbank*, NWB) was created in 1954. The public purpose of the NWB is to be a "bank of and for the Dutch public sector" with "a special responsibility towards society".[64] The NWB realises its purpose by providing cheap and patient finance to the public sector in ways that are long-term, low cost and low risk.

In response to societal demands and as a reflection of their public purpose, both BNG and NWB have adopted investment strategies that will align with the 2030 Sustainable Development Goals.

EU Member States need to rethink EIB Global's business strategy, and its public purpose, so that its public financial resources are deployed in ways that enable long-term, stable and sustainable social and economic development in the global south. This means providing goal-oriented development financing that builds up long-term local capacity, public services, sustainable infrastructures and community economic resilience. It does not mean further financialising development finance in the interests of private investors whose primary concern is capital accumulation. This entails EU Member States formally breaking with the World Bank's "Maximising Finance for Development" approach and rethinking EIB Global's business strategy based on public interests.

To definancialise finance is to erect a pillar of more stable, patient, sustainable and equitable finance for development.

Recommendations

- Abandon the goal of de-risking private finance and the "Maximising Finance for Development" Agenda, in favour of public interest strategies.
- Definancialise development by providing long-term, low-cost, appropriate public finance.
- Develop a robust public-public financing framework to enhance local infrastructure building and public sector capacity in the global south.
- Adopt a long-term goal of fostering stronger local public institutions and services.

Second Pillar: Democratise and decolonialise operations

To embed public interest public purpose in development finance, EIB Global must move beyond conventional market-based governance models. EU Member States need to require EIB Global to develop policy that democratises and decolonises its development operations.

Currently, EIB Global is promising a conventional approach to governance that is two-fold. Set within the overall institutional structure of the EIB group, EIB Global proposes the creation of a new Advisory Group to "advise the EIB for its operations outside the European Union".[65] Additionally, EIB Global proposes the formation of regional hubs to intensify "complementarity and cooperation with Multilateral Development Banks, national Development Finance Institutions and local partners" (although there are outstanding questions around what is in fact new about these regional hubs for the EIB, as some hubs already existed).

Acting EIB Global Director Berndt states, "With EIB Global, we have established a governance structure that allows for much more direct interaction with development stakeholders *in Europe* to make sure that they understand what we can offer and let *EU policymakers* give direction on where they want to see their own bank be active and what the priorities are" (emphasis added). Berndt acknowledges that "outside the EU, it's even more important to have a local presence".[66]

While the EIB Global strategy acknowledges the importance of representation and voice, it privileges European voices and power in deciding who benefits and how from flows of development finance abroad. EIB sees the importance of having a local presence but not of granting locals any oversight. This is clearly insufficient from a democratic developmental point of view. It is also less effective for achieving developmental goals.

Recent research into development banks that are active in the global south shows that project finance governance shortcuts generate economic inefficiencies as a result of heightened social conflicts and lack of community consent. Reflecting similar concerns raised by the Inter-American Development Bank in a study of 200 infrastructure projects in Latin America and the Caribbean over four decades, Ray and collaborators found that "poor planning, lack of benefit sharing, and lack of community consultation" by development banks often trigger social conflicts that in turn jeopardise developmental projects.[67]

The researchers demonstrate that development banks must proactively ensure "effective engagement" in ways that go beyond just "information sharing" to enable local stakeholders to "impact project design and implementation".[68] It is most effective when both the development bank and the local/national governing authority require stakeholder engagement requirements. The researchers warn against keeping development plans and commitments away from local communities and point to substantial evidence that "effective community engagement" helps to limit environmental damage.[69] In contrast to prevailing narratives that see a limited role for development banks in community engagement and democratic governance of development finance, Ray and collaborators state that development banks "are uniquely poised to host platforms where all stakeholders can formulate and voice their preferences and concerns, and broker projects that maximize the benefits and minimize the risks for all parties involved".[70] The core thrust of the research points to the benefits of development banks, national governments and local communities forming "mutually reinforcing networks of support" to deliver more socially inclusive and less environmentally damaging development projects.

The benefits of inclusive and co-created sustainable development and the drawbacks of top-down imposed models of development are well-established principles within the field of development studies.[71] To solve societal problems, and to do so in a credible and accountable manner, public institutions need to integrate forms of "distributed agency" and governance into the making of public policy, including development finance.[72] Public authorities, including EU Member States, must purposefully build the institutions and processes needed to craft and coordinate effective development policy. Development finance institutions understand and recognise the benefits of this approach, with few, if any, development banks openly promoting an isolated, top-down approach (even if it may be a default practice).

Given its current framework, EIB Global is at risk of repeating the mistakes of the colonial past. However, EU Member States have a crucial opportunity to place it on stronger foundations. They can do so by enabling EIB Global to institutionally foster a new, inclusive and democratised approach to governance that can promote development in ways that uphold a decolonised future and create mutually reinforcing networks of support. This must be approached in recognition of the wider governance structures and constraints of the EIB Global being housed with the EIB itself.[73] Yet, Member States have within their power viable options to democratise and decolonise EIB Global's operations. These have to go beyond existing commitments to setting up an Advisory Council and regional hubs, as it is key to ensure that local community concerns are directly represented as stakeholders.

Member States can also do so by learning from promising practices and adapting them to EIB Global. Two public banking examples of more inclusive and representative governance structures offer concrete guidance for rethinking EIB Global governance: the KfW, a German national development/promotional bank; and the Banco Popular, a Costa Rican universal public bank.[74]

The KfW in Germany illustrates how a large European public development bank can function effectively when guided by a representative form of democratic governance that is inclusive of many communities (see Box 4).

The Banco Popular in Costa Rica illustrates how a public universal bank (a universal bank combines development and retail financing functions), even with far more limited resources than northern public banks, has built governance structures and processes that give substantive voice to diverse citizens within the bank's structure within the global south (see Box 5 overleaf). The Banco Popular features a 290-member popular assembly whose members are drawn from ten different social sectors in the country. The Assembly presides over the bank's seven-member National Board of Directors, which is composed of three government representatives and four Assembly representatives. The Banco Popular has also created Commissions to ensure that the bank holds itself to account, such as the Women's Commission. This Commission is tasked with upholding women's voices, which includes overseeing a minimum 50 per cent membership of women in all major decision-making forums within the bank. The Banco Popular is a case where the global north needs to learn from the advanced democratic practices of the global south.

Box 4: Representing diverse communities: The German KfW[75]

The highest governing body of the German KfW bank is the Board of Supervisory Directors. Importantly, membership of the Board is defined in law and is designed to integrate representative voices from many different communities. Government ministers and representatives offer political and accountable representation of society. This is balanced with representatives from other banks, industry, municipalities, agriculture, crafts, trade, housing and trade unions. The structure provides a forum of interaction and accountability for what the KfW does and why. It is within EU Member States' power to task EIB Global with incorporating a similar space of representative voice for affected communities in the global south within its operations. This is one pathway towards not only improving development finance effectiveness but also fostering respect for democratic values.

There are 37 members of the KfW board in total, including the following:

The German Federal Minister of Finance and Federal Minister for Economic Affairs and Energy are Chair and Deputy Chair of the Board in alternation.

35 additional members from different social, political and economic communities:

- The German Bundestag (Lower House) and Bundesrat (Upper House) send seven appointments each to the Board.
- There are five additional federal government ministers.
- The German mortgage banks, savings banks, cooperative banks, commercial banks and business credit institutions send one representative each.
- There are two industry representatives.
- German municipalities, agriculture, crafts, trade and housing send one representative each.
- There are four trade union representatives.

Box 5: Popular voice and diverse accountability: The Costa Rican Banco Popular[76]

The *Asamblea de los Trabajadores y Trabajadoras* (Assembly of Working Men and Women, or Workers' Assembly) is the highest decision-making body of the Banco Popular. This is codified in the 2002 Reform, *Ley de Democratización de las Instancias del Decisión del Banco Popular y de Desarrollo Comunal* (Law of the Democratisation of Decision-making Processes of the Popular Bank and of Community Development) – the 'Democratisation Law'.

Article 14 of the Democratisation Law states that the Workers' Assembly is to provide general direction to the bank's activities. The membership of the Assembly enables popular voice and diverse accountability within the banking institution.

The Workers' Assembly is made up of 290 representatives from ten social and economic sectors, specifically: the artisanal; communal; cooperative; self-managed; independent; teachers; professional; as well as the confederated, non-confederated and solidarity syndicates (trade unions).

The Workers' Assembly appoints representatives to the bank's seven-member National Board of Directors.

The Assembly must integrate and act upon recommendations made by the Permanent Commission for Women.

Of note, the Banco Popular provides a formal space of interaction for its affected community that is even more broad-based. Furthermore, the Banco Popular has created specific commissions to oversee and uphold important values across its operations, notably gender equity, as with the KfW. EU Member States can task EIB Global with creating forums of interaction in communities and require EIB Global to establish effective oversight and compliance commissions to hold itself to account.

EU Member States can and must rethink EIB Global governance in ways that require the development branch to foster and maintain "mutually reinforcing networks of support" and accountability. In such an EIB Global forum, citizens, communities, indigenous peoples, local banks, public shareholders and societal stakeholders could exert meaningful democratic and representative voice over what the EIB does and why within their affected communities. This includes debating and shaping the types of projects funded by EIB Global, the terms of engagement, and the metrics by which the project will be deemed successful and by which EIB Global will be held to account. In short, EU Member States must task EIB Global with formalising, as a matter of development finance policy and practice, clear processes so that communities can be heard (see Box 6 overleaf) and so that their voices matter to what EIB Global does in their communities.

This update to the governance of EIB Global should not require any formal change to the legal structure of the EIB itself, which might prove an insurmountable barrier to the positive changes needed. Rather, EU Member States can work via policy frameworks and instead simply require EIB Global to develop clear policy guidelines and processes, which ensure that EIB Global will follow democratic and decolonised engagement processes within communities in the global south. This policy development should be seen as similar to existing public bank guidelines on sustainable finance but focused on democratised and decolonised finance.

Box 6: "People must be heard": A Practitioner's voice on European development finance[77]

When asked about how the KfW Development Bank might contribute to achieving SDG 16 "Peace, Justice and Strong Institutions", Stephan Opitz, Member of the Management Committee of KfW Development Bank, made the following claim:

> "The decisive factor is allowing the people in the communities to stipulate what they want to do with the limited funds. They determine the priorities and often work to implement the measures themselves. To shape this decision-making process in such a way that ensures everyone is heard and involved is a challenge, but also a great opportunity. We often rely on the support of local NGOs who play an important role in many countries and communities in defusing conflicts and preventing them from flaring up again. And that is what the core of SDG 16 is about: to give people (back) the opportunity to be involved in decisions that directly affect their lives, and to shape this process of co-determination so that it is transparent, open and inclusive. Ultimately, this is an important contribution to re- establishing trust in local governance and the rule of law, and to promoting living together in peace."

The principle of subsidiarity and the process of free, prior and informed consent (FPIC) of affected communities and Indigenous peoples must be embedded within EIB Global's new governance policy framework. Subsidiarity and FPIC processes need to be baked into the decision-making processes and made part of the bank's institutional culture (for more on FPIC, see Box 7). This requires the local presence EIB Global has already committed to, but a presence that is properly resourced to support democratic, decolonised and gender- equitable dialogue and decision-making with the affected community.

Box 7: Free, prior and informed consent of Indigenous peoples[78]

The United Nations Office of the High Commissioner for Human Rights specifies the following on FPIC:

> "**Free** implies that there is no coercion, intimidation, or manipulation.
>
> **Prior** implies that consent is to be sought sufficiently in advance of any authorization or commencement of activities and respect is shown to time requirements of indigenous consultation/consensus processes.
>
> **Informed** implies that information is provided that covers a range of aspects, including the nature, size, pace, reversibility and scope of any proposed project or activity; the purpose of the project as well as its duration; locality and areas affected; a preliminary assessment of the likely economic, social, cultural and environmental impact, including potential risks; personnel likely to be involved in the execution of the project; and procedures the project may entail. This process may include the option of withholding consent. Consultation and participation are crucial components of a consent process.
>
> **The consent process** will be undertaken through procedures and institutions determined by Indigenous peoples themselves.
>
> **Mechanisms and procedures should be established to verify** that free, prior and informed consent has been sought. Indigenous peoples must be included in their development."

The principle of subsidiarity is to ensure that decisions are taken as closely as possible to the citizen, community and smallest political unit that is capable of effectively discharging that decision. By fostering subsidiarity, EIB Global reduces the risk of reproducing past colonial practices that imposed foreign models of development that were decided on by Europeans for the disproportionate benefit of Europeans. Subsidiarity has the added benefit of opening up channels for northern public development banks to learn from the expertise, operations and experiences of communities, civil society organisations, public service providers, cooperative associations, local and national governments and public banks in the global south. It will also foster long-term local development by building local capacity. Subsidiarity is key to fostering mutually reinforcing networks required for more effective development projects and for respecting democratic values.

Subsidiarity should be used as a pathway towards ensuring FPIC. Importantly, “consent” must not be replaced by looser terminology like “consultation”, which weakens engagement substantively.[79] Based on provisions within the UN Declaration on the Rights of Indigenous Peoples, FPIC recognises that Indigenous peoples must be given the right to freely give and to withhold consent for projects that may affect them, their communities or their territories. Consent can be withdrawn at any stage of a project. Embedded within the practice of FPIC is the ability of Indigenous peoples to negotiate and co-design a project’s design, implementation, monitoring and evaluation (see Box 7). EU Member States must require that FPIC is upheld by EIB Global throughout the life of a development project and provide the resources necessary to monitor FPIC implementation at all stages, in collaboration with the affected community.

To democratise and decolonise finance in the public interest is to erect a pillar that is capable of holding and representing the voices of affected communities in an accountable way within the development operations of EIB Global.

Recommendations

- EU Member States task EIB Global with developing a formal Democratised and Decolonised Finance policy.
- EU Member States provide EIB Global with sufficient policy steer and financial resources to monitor and implement the principle of subsidiarity and processes of FPIC, in collaboration with affected communities.
- Start building an institutional culture of development finance that understands democratisation and decolonialisation as integral to long-term, stable, equitable and sustainable development.
- Develop metrics that show progress towards democratised and decolonised finance for development (see Pillar 3 below).

Third Pillar: Co-create metrics that matter

To deliver according to public purpose in the public interest, EIB Global needs to develop new co-created metrics, benchmarks and assessments that matter for promoting democratic, sustainable, decolonial and equitable development.

EIB Global is in its early days and understandably there has been little signalling of the specific type of metrics it will use. However, EIB Global has stated its priority – that is, turning billions of euros into trillions. Presumably, this will be one of its measures of success, and perhaps its primary one. This is a metric the reflects private interests, that is, it captures the extent to which EIB Global has been successful at de-risking private investments to maximise financial returns. It is a measure of financialisation, which conventional economists take as a proxy for development.[80] Problematically, if EIB Global shows success in de-risking private finance for development, evidence suggests that this financialised strategy for development finance will in fact undermine long-term, stable, equitable, inclusive and sustainable development in the global south.[81]

Ironically, public banks *failing* to de-risk and maximise private finance may in fact indicate greater success in public interest financing for development. For example, the new Canada Infrastructure Bank (CIB) has failed to leverage the scale of private financial flows promised when it was first founded in 2017. However, the bank is proving to be more successful in supporting public-public financing for municipalities, public infrastructure and community development with long-term, low-cost financing (see Box 8). In this case, civil society organisations, community authorities and public sector unions need to proactively engage the CIB on developing new metrics and assessments that can capture these definancialised operations.

The development and use of metrics, assessment and benchmarking are not neutral processes. They are embedded in values, power relations and outcome preferences. Metrics, as such, are neither inherently progressive nor regressive. When done well, appropriate metrics can enhance and help to secure transparency and accountability by making performance results openly available and subject to public contestation and relevant comparators.[82] As McDonald notes in the case of public water, metrics and benchmarks can create opportunities for public participation in decision making by allowing "customer groups and NGOs to exercise 'voice' in an informed way", as well as contributing to "consensus-based global solutions" for global developmental aspirations.[83] Ensuring community voice, as shown above, reduces conflict, enhances project effectiveness and fosters democratic values.

Box 8: Failing in financialised terms: The Canada Infrastructure Bank[84]

The Canada Infrastructure Bank (CIB) was founded in 2017. Policymakers gave it a private interest *financialised* public purpose to attract and mobilise private and institutional investments for infrastructure development.

Early attempts to fulfil this mandate involved an attempt to privatise public water provisioning in a small town in Ontario, Canada in 2019. The CIB offered to finance the debt of a private sector partner, promising cheaper financing costs and "appropriate" risk transfer to the private sector. When the financial terms of the public-private partnership (PPP) project proved more costly and riskier for the community, public resistance brought an end to the CIB initiative.

Social conflict thus interrupted the CIB's financialised vision of using public money to unlock PPPs in water infrastructure for other small towns and Indigenous communities.

The CIB has since failed to deliver on its financialised business plan. This may have opened doors to deliver on public interest metrics of success.

Currently, the CIB has helped to mobilise more public financing for a wide range of municipal and community projects sponsored by governments and Indigenous authorities.

Most of the new CIB projects involve catalysing *public-public* partnerships in green infrastructure and community development projects.

Co-creation and accountability are key. EU Member states will need to make sure EIB Global moves beyond conventional metrics and cost-benefit analyses.[85] This requirement needs to purposively commit EIB Global to developing metrics that matter for public interest, public purpose financing. Part of this change will require that EIB Global recognises existing shortcomings in current EIB practices of project appraisal and monitoring to advance beyond them (see Box 9).[86] Research shows that pre-existing EIB operations outside Europe have supported questionable extractive resource developments, contributed to human rights abuses, set aside their own environmental and social standards, lacked transparency and have been unaccountable to affected communities.[87]

In order to be relevant to communities and EIB Global, metrics must be co-created with local stakeholders (hence the need for governance forums). Innovation research suggests metrics for evaluation and monitoring need to be aligned with the desired direction of investment strategies, accept uncertainty in projects, focus on change and how to leverage it, be adaptable and be capable of assessing the emerging and combined effects of actions taken in order to ensure the desired impacts are met.[88] Dynamism involves agreeing on and enforcing intermediate milestones to build in flexibility and adaptability. If need be, the metrics and the project can be changed at any point. That is, projects can respond dynamically to regular feedback loops (integrating FPIC best practices). Public interest and public purpose-oriented metrics and assessments need to avoid promoting commercialisation and financialisation that reinforce undemocratic, market-based and top-down standard setting, which often rely on unbending and static measures that are unable to account for local context or voice.[89] This goal is to subject intention-oriented investment processes to regular democratic consensus building. This is vital so that EU Member States, EIB Global and the affected community understand what is working, what is not working, what needs to be changed and what needs to be stopped to fulfil the public purpose of an investment.

Box 9: Accountability shortcomings in the European Investment Bank[90]

The civil society organisation CEE Bankwatch Network has reported shortcomings in how the EIB has appraised, monitored and provided remedies in the implementation of the Resettlement Action Plan for the Regional Mombasa Port Access Road1 project in Kenya.

The Report concludes that the EIB's safeguards were not robust enough to "sufficiently prevent intimidation, threats and forced evictions nor protect the existence and well-being of the most vulnerable project stakeholders".

The context is not simple, but the shortcomings are attributed to a weak human rights framework, insufficient monitoring and poor access to remedy. Overall, the CSO contends that EIB accountability mechanisms have been ineffective, and this undermines EIB credibility as a development finance institution. Its metrics are not designed to take local voices into account and therefore lack efficacy.

At the same time, EU Member States must task EIB Global with aligning its investment policy public purpose so that its operations are not in contradiction (see Box 10 overleaf). Prioritising private investors' needs does not align with long-term, sustainable, equitable and stable development. An aligned investment policy framework – enacted alongside a democratised and decolonised policy framework – provides a foundation from which to base EIB Global development project assessments and to set baseline expectations for communities and clients from which to co-create project-based metrics.

EIB Global baseline guidelines must be firm, transparent and binding but subject to democratic community voice and transparent oversight and review within EIB Global's operations. As a public institution within Europe, it is legitimate for EIB Global to internalise and act upon the values of its society, such as advancing sustainable and inclusive development for all, as embedded within the SDGs. Setting a firm foundation establishes transparent expectations for what EIB Global will support – and can serve as a baseline for metrics that matter in development financing. But that does not legitimise imposing an investment project without FPIC, without enabling subsidiarity, without community voice and without in-built democratic processes to decide and enforce co-created metrics that matter for all.

Box 10: Aligned public purpose: The Invest-NL Fund[91]

Invest-NL was founded in 2019 by the Dutch government and began operations in 2020. Its legal mandate is 'to contribute to the financing and realization of societal transition tasks by businesses and the provision of access to corporate finance, if this is not sufficiently provided by the market' (Article 3 of the Invest-NL Foundation Act). Building on this, Invest-NL has targeted financing of scale-ups, the energy transition and a circular economy.

Invest-NL recognises that conflicts and contradictions can arise in these priorities:

> "… not everything that scores well on circularity is advisable from the point of view of the climate and energy transition: for example, some recycling processes require sizeable (fossil-based) energy consumption. The reverse is also true: not everything that benefits climate and energy is advisable from a circularity point of view; for instance, the use of rare metals in battery technology."[92]

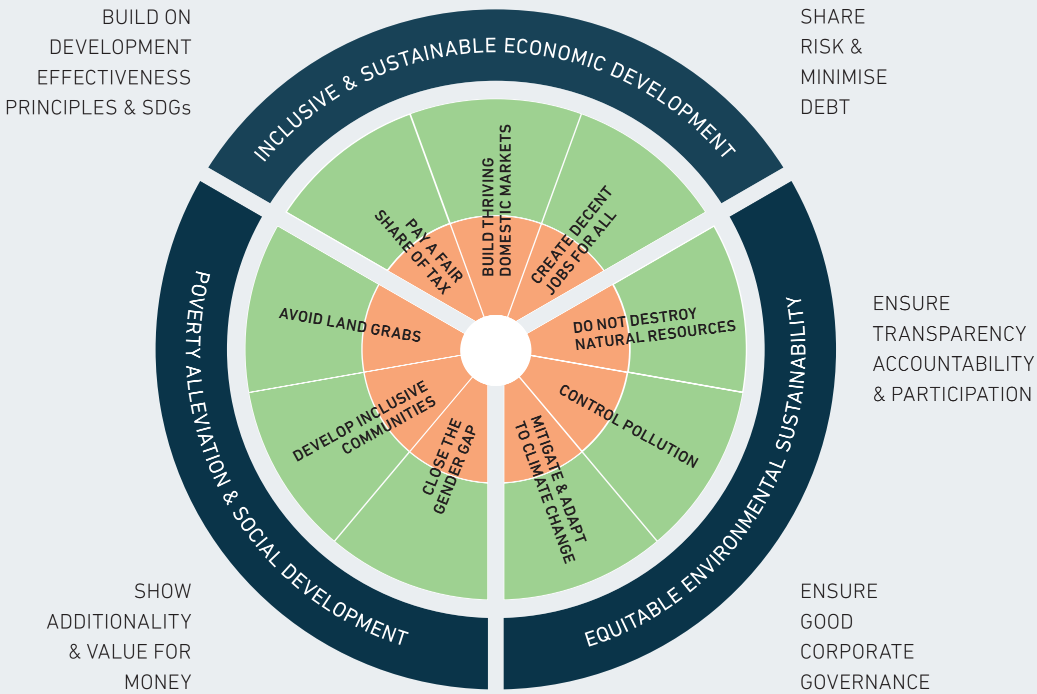
As a result, Invest-NL took a bold step in its 2021-2025 strategy: "We will fund only those activities that benefit both transitions."[93]

This decision was the outcome of stakeholder dialogue that advised Invest-NL *not* to treat a carbon-neutral economy in isolation from a circular economy: "This will prevent a situation in which we finance innovations that contribute to one of these transitions while impairing the other."[94]

Co-created and dynamic metrics of success and methods of appraisal and accountability need forming. This does not happen naturally, without expense or without political will. EU Member States have to accept the making of metrics that matter as an internalised cost of doing effective and democratic development financing. In its absence, EIB Global and EU Member States risk reproducing a colonial legacy of top-down and undemocratic financial interventions whereby the only voices that matter are those of Europeans – and likely a small, elite and powerful clique of Europeans. Making metrics that matter must be approached with a great deal of humility and awareness of differential power relations. Metrics need to be firm yet flexible enough to enable local interpretations of equitable, stable and sustainable development.[95] Metrics can lead to more equitable, sustainable and inclusive development finance delivery – but metrics done poorly can also lead to more costly, unsustainable and socially exclusive results. This is why the pillars of definancialised financing and democratised and decolonialised operations are inter-dependently linked to metrics that matter. This is also contingent on the presence of sufficient resources, enabling EIB Global to uphold high standards of accountability and transparency.

Indications are that EIB Global will align itself with the SDGs and the 2015 Paris Agreement as part of the EIB Group Climate Bank Roadmap 2021-2025.[96] Elsewhere, the German KfW Development Bank has already begun reporting on SDG-aligned lending in development finance. However, there remains the significant challenge of implementing SDG-related metrics in ways that are sensitive to local community needs and in accordance with the public interest, not private investors' interests in profit-maximisation. However, civil society organisations – including Eurodad and partners – have already begun to develop a more robust assessment framework for ensuring that public finance is deployed in the public interest (Image 1 overleaf). EU Member States can task EIB Global with mapping out existing alternatives and then consulting with affected communities to develop the bank's own metrics that matter as a structural and recurrent operational function.

Figure 1: A Sustainable Development Traffic Light[97]



Finally, it is worth underscoring that the making of metrics that matter is closely intertwined with confronting the problem of corporate greenwashing of sustainable financial flows. As the *Financial Times* highlights, "ESG [Environmental Social and Governance] funds are popular, but research has found the sector is rife with greenwashing".[98] This is also an expression of financialised development finance whereby the priority of private investors is to maximise shareholder returns in the short-term rather being held to any binding ESG restraints around lending. Public banks can and do institute ESG requirements as a matter of policy, not profit. How these are measured within the development community needs new, impactful and more democratic foundations.

Recommendations

- EU Member States must make sure EIB Global is committed to developing a policy framework creating metrics, benchmarks and assessments that matter for democratic, definancialised, sustainable, decolonial and equitable development.
- EIB Global policy needs to set out transparent processes for the co-creation of dynamic metrics with affected communities in the global south that apply to the life of investment projects.
- EU Member States need to allocate sufficient resources to EIB Global so it has the internal capacity and appropriate expertise to assess and show the impacts of investment decisions and to carry out effective due diligence procedures with sufficient supervision and monitoring mechanisms.

Conclusion

EIB Global is at risk of financing an undemocratic, unaccountable, financialised and colonial development legacy in the global south. EU Members States have the responsibility of crafting a different public purpose legacy in the public interest. Evidence shows and democratic values suggest that three pillars can form the foundation of a truly developmental EIB Global legacy. These pillars are dependent on each other. The first pillar removes dependence on conventional finance for development thinking and instead supports definancialised development finance that is long-term, low-cost and community appropriate. The second pillar displaces reliance on market-based corporate discipline and replaces it with policies that uphold democratised and decolonialised operations. The third pillar replaces mainstream cost-benefit metrics with co-created metrics that matter mutually to the EU Member States and to affected communities.

EU Members States have the responsibility of crafting a different public purpose legacy in the public interest

As a whole, this new edifice of development finance moves EIB Global away from being a development bank that is mostly set to support private financial interests to one that functions according to a public purpose that is in the democratic public interest. The changes required will not occur naturally. Civil society and concerned EU Member States and like-minded stakeholders in Europe (and beyond) must make it so – they must reclaim EIB Global by delivering a new investment policy framework. Failure to do so will see EIB Global contribute to ecologically and socially unsustainable development finance practices. Success, however, will see EIB Global emerge as a world-leading example of public purpose public financing for global green and just transitions. It is up to EU Member States to seize this opportunity.

Endnotes

1 EIB (2022a). *President Hoyer speaks at signing ceremony with the European Commission on agreement to enable further investments worldwide*. 10 May 2022. Available online at: https://www.eib.org/en/press/speeches/president-hoyer-speaks-at-ndici-signing-ceremony
2 McNally, D. (2020). *Blood and Money: War, Slavery, Finance, and Empire*. London: Haymarket Books.
3 Von Mettenheim, K. and Del Tedesco Lins, M.A. (eds.) (2008). *Government Banking: New Perspectives on Sustainable Development and Social Inclusion from Europe and South America*. Rio de Janeiro and Berlin: Konrad Adenauer Foundation; Marois, T. (2021) *Public Banks: Decarbonisation, Definancialisation, and Democratisation*. Cambridge University Press.
4 Levy Yeyati, Eduardo and Micco, Alejandro, (2007). Concentration and foreign penetration in Latin American banking sectors: Impact on competition and risk, *Journal of Banking & Finance*, 31, issue 6, p. 1633-1647. Available online at: https://econpapers.repec.org/RePEc:eee:jbfina:v:31:y:2007:i:6:p:1633-1647
5 Mikheeva, O. (2019). "Financing of innovation: national development banks in newly industrialised countries of East Asia," *Journal of Post-Keynesian Economics*, 42, p590-619.
6 Balassa, B. (1982). "Structural Adjustment Policies in Developing Economies", *World Development*. 10(1): p23-38; Barth, J. R., Caprio, G. and Levine, R. (2006) *Rethinking Bank Regulation: Till Angels Govern*. Cambridge University Press.
7 Marois, T. (2021). *Public Banks: Decarbonisation, Definancialisation, and Democratisation*. Cambridge University Press.
8 World Bank (2001). *Finance for growth: Policy choices in a volatile world*. Washington: The World Bank. See page 127.
9 Council of the EU, (2019a). European financial architecture for development: Council sets up a high-level group of wise persons. Available online at: https://www.consilium.europa.eu/en/press/press-releases/2019/04/09/european-financial-architecture-for-development-council-sets-up-a-high-level-group-of-wise-persons/
10 Council of the EU (2019b). *Europe in the World: The future of the European financial architecture for development*. Available online at: https://www.consilium.europa.eu/media/40967/efad-report_final.pdf
11 Council of the EU (2021). Feasibility study on options for strengthening the future European Financial Architecture for Development - final report. Available online at: https://data.consilium.europa.eu/doc/document/ST-6961-2021-REV-1/en/pdf.
12 Council of the EU (2021). Council conclusions on enhancing the European financial architecture for development. Available online at: https://data.consilium.europa.eu/doc/document/ST-9462-2021-REV-1/en/pdf
13 Marois, Thomas and Güngen, Ali Rıza (2016). "(Re)Making Public Banks: The Case of Turkey." In: McDonald, David A., (ed.), *Making Public in a Privatized World: The Struggle for Essential Services.* London: Zed Books. Available online at: https://eprints.soas.ac.uk/21517/
14 Marois, T. (2021). *Public Banks: Decarbonisation, Definancialisation, and Democratisation*. Cambridge University Press. See page 43.
15 Xu, J., Marodon, R., Ru, X., Ren, X. and Wu, X. (2021). "What are public development banks and development financing institutions? Qualification criteria, stylized facts and development trends," *China Economic Quarterly International*, vol. 1, nr 4, December, p271-294
16 Geddes, A., Schmidt, T. S. and Steffen, B. (2018). The multiple roles of state investment banks in low-carbon energy finance: An analysis of Australia, the UK and Germany. *Energy Policy*, 115, p158-170; Mikheeva, O. (2019) "Financing of innovation: national development banks in newly industrialised countries of East Asia," *Journal of Post-Keynesian Economics*, 42, p590-619.
17 AAAA (2015). *Addis Ababa Action Agenda*, Third International Conference on Financing for Development. Available online at: https://www.un.org/esa/ffd/wp-content/uploads/2015/08/AAAA_Outcome.pdf; Romero, M.J. (2017). *Public development banks: towards a better model*. Brussels: Eurodad. Available at: http://www.eurodad.org/Public-Development-Banks-towards-a-better-model; Scherrer, C. (ed.) (2017). *Public Banks in the Age of Financialization: A Comparative Perspective*. Cheltenham, UK: Edward Elgar Publishing; UNCTAD (2019). *Financing a Global Green New Deal*. Trade and Development Report 2019. Geneva and New York: United Nations.
18 IMF/World Bank (2017). Maximizing Finance for Development: Leveraging the Private Sector for Growth and Sustainable Development. Development Committee, Joint Ministerial Committee of the Boards of Governors of the Bank and the Fund on the Transfer of Real Resources to Developing Countries. DC2017-0009. Available online at: https://www.devcommittee.org/sites/dc/files/download/Documentation/DC2017-0009_Maximizing_8-19.pdf.
19 Gabor, D. (2021). "The Wall Street Consensus," *Development and Change*, 52: p429-459.
20 Clifton J., D. Diaz-Fuentes, Howarth, D. and Kavvadia, H. (2020). "The Role of the European Investment Bank in Times of Covid-19." In *Public Banks and Covid-19, Combatting the Pandemic with Public Finance*, edited by D. McDonald, T. Marois, and D. Barrowclough, 135-148. Municipal Services programme, Eurodad and UNCTAD. Available online at: https://publicbankscovid19.org/index.php/publications; Clifton, J., Díaz-Fuentes, D. and Gómez, A.L. (2021b). "The European Investment Bank from Development, Integration, and Investment to 'You Get What You Give'," in Clifton, J. Díaz Fuentes, D. and Howarth, D. (eds.) (2021). *Regional Development Banks in the World Economy*. Oxford University Press.
21 Ray, R., Gallagher, K.P. and Sanborn, C.A. (2020). "Standardizing sustainable development? Development Banks in the Andean Amazon." In *Development Banks and Sustainability in the Andean Amazon*.1-46. New York: Routledge; Mertens, D., Thiemann, M. and Volberding, P. (2021). "Introduction: The Making of the European Field of Development Banking," In: *The Reinvention of Development Banking in the European Union: Industrial Policy in the Single Market and the Emergence of a Field*. Edited by: Daniel Mertens, Matthias Thiemann, and Peter Volberding, Oxford: Oxford University Press.
22 EIB (2021a). *Kenya: EIB strengthens engagement in Africa with new Nairobi Hub and backs EUR 400 million business, fragile region and housing investment*. Available online at: https://www.eib.org/en/press/all/2021-425-eib-strengthens-engagement-in-africa-with-new-nairobi-hub-and-backs-eur-400-million-business-fragile-region-and-housing-investment.
23 Ray, R., Gallagher, K.P. and Sanborn, C.A. (2020). "Standardizing sustainable development? Development Banks in the Andean Amazon." In *Development Banks and Sustainability in the Andean Amazon*.1-46. New York: Routledge; Clifton, J. Díaz Fuentes, D. and Howarth, D. (eds.) (2021). *Regional Development Banks in the World Economy*. Oxford University Press; Barrowclough, Diana V. and Thomas Marois (2022). Public Banks, Public Purpose, and Early Actions in the Face of Covid-19, Review of Political Economy, 34:2, 372-390.
24 *Regulation for the Future: The Implications of Public Purpose for Policy and Regulation in Utilities*. Fair for the Future Project Report 2021. Available online at: https://www.sustainabilityfirst.org.uk/images/publications/fair_for_the_future/Regulation_for_the_future_the_implications_of_public_purpose_for_policy_and_regulation_in_utilities.pdf.
25 Hanna, T.M. (2018). *Our Common Wealth: The Return of Public Ownership in the United States*. Manchester University Press.
26 Shirley, M.M. (1999). 'Bureaucrats in Business: The Roles of Privatization versus Corporatization in State-owned Enterprise Reform', *World Development*. (27)1: 115-36.
27 Tullock, G., Seldon, A. and Brady, G.L. (2002). *Government Failure: A Primer on Public Choice*. Washington: Cato Institute; Marcelin, Isaac and Mathur, Ike, (2015) Privatization, financial development, property rights and growth, Journal of Banking & Finance, Elsevier, vol. 50(C), pages 528-546. https://ideas.repec.org/a/eee/jbfina/v50y2015icp528-546.html
28 World Bank (2001). *Finance for growth: Policy choices in a volatile world*. Washington: The World Bank; Demirgüç-Kunt, A. and L. Servén. (2010). "Are All the Sacred Cows Dead? Implications of the Financial Crisis for Macro- and Financial Policies." *The World Bank Research Observer.* 25 (1): 91–124.
29 Barth, J. R., Caprio, G. and Levine, R. (2006). *Rethinking Bank Regulation: Till Angels Govern*. Cambridge University Press. See pages 34-35.
30 Marshall, W.C. and Rochon, L-P. (2022). "Understanding Full Investment and the Potential Role of Public Banks," *Review of Political Economy*, 34:2, p340-355.
31 Galbraith, J. K. (1973). Economics and the Public Purpose, Boston: Houghton Mifflin, see page 3.
32 Gabor, D. (2021). "The Wall Street Consensus," *Development and Change*, 52: p429-459; Galbraith, J. K. (1973). Economics and the Public Purpose, Boston: Houghton Mifflin, see page 20.
33 Galbraith, J. K. (1973). Economics and the Public Purpose, Boston: Houghton Mifflin, see page 211.
34 Marois, T. (2022). "A Dynamic Theory of Public Banks (and Why it Matters)," *Review of Political Economy*, 34:2, p356-371.
35 Cumbers, A. (2012). *Reclaiming public ownership: Making space for economic democracy*. London: Zed Books; McDonald, D.A. (2016a). "The weight of water: Benchmarking for public water services," *Environment and Planning A*. 48(11): p2181-2200; McDonald, D.A. (ed.) (2016b). *Making Public in a Privatized World: The Struggle for Essential Services*. London: Zed Books.
36 Mazzucato, M. (2021). *Mission Economy A moonshot guide to changing capitalism*. London: Penguin. See page 6.
37 Marois, T. (2022). "A Dynamic Theory of Public Banks (and Why it Matters)," *Review of Political Economy*, 34:2, p356-371. See page 357.
38 Devex (2022). "Q&A: EIB Global paves the way for private investment," *Devex Partnerships*. 17 February 2022. Available online at: https://www.devex.com/news/sponsored/q-a-eib-global-paves-the-way-for-private-investment-102653
39 Sebti Bassam (2016). *From billions to trillions: converting billions of official assistance to trillions in total financing*. World Bank Blogs. https://blogs.worldbank.org/voices/from-billions-to-trillions
40 IMF/World Bank (2015). *From Billions to Trillions: Transforming Development Finance Post-2015 Financing for Development: Multilateral Development Finance*. Development Committee, Joint Ministerial Committee of the Boards of Governors of the Bank and

the Fund on the Transfer of Real Resources to Developing Countries. DC2015-0002; Badré, B. (2018). *Can Finance Save the World? Regaining Power Over Money to Serve the Common Good*. Oakland, CA: Berrett-Koehler Publishers.

41 EIB (2022b). *EIB Global: Partnerships Worldwide*. Luxembourg: European Investment Bank. Available online at: https://www.eib.org/attachments/publications/eib_global_flyer_en.pdf

42 Gabor, D. (2021). "The Wall Street Consensus," *Development and Change*, 52: p429-459; Galbraith, J. K. (1973). Economics and the Public Purpose, Boston: Houghton Mifflin, see page 20.

43 Eurodad et al. (2018). *History RePPPeated: How Public Private Partnerships are failing*. Brussels: Eurodad. Available online at: https://eurodad.org/HistoryRePPPeated; Bayliss, K., Bonizzi, B., Dimakou, O., Laskaridis, C., Sial, F. and Van Waeynberge, E. (2020). *The use of development funds for de-risking private investment: How effective is it in delivering development?* Policy Department for External Relations, Directorate General for External Policies of the Union, PE 603.486 - May 2020. Available online at: https://www.europarl.europa.eu/RegData/etudes/STUD/2020/603486/EXPO_STU(2020)603486_EN.pdf.

44 Counter Balance (2017). European Parliament improves the External Investment Plan, but significant challenges ahead. *Development and Human rights*. 6 July 2017. Available online at: https://counter-balance.org/news/european-parliament-improves-the-external-investment-plan-but-significant-challenges-ahead

45 Eurodad (2020). *International development and the next EU budget*. Available online at: https://www.eurodad.org/development_next_eu_budget

46 Duvendack M., Palmer-Jones, R., Copestake, J.G., Hooper, L., Loke, Y. and Rao, N (2011). *What is the evidence of the impact of microfinance on the well-being of poor people?* London: EPPI-Centre, Social Science Research Unit, Institute of Education, University of London.

47 EIB (2022b). *EIB Global: Partnerships Worldwide*. Luxembourg: European Investment Bank. Available online at: https://www.eib.org/attachments/publications/eib_global_flyer_en.pdf

48 Duvendack M., Palmer-Jones, R., Copestake, J.G., Hooper, L., Loke, Y. and Rao, N (2011). *What is the evidence of the impact of microfinance on the well-being of poor people?* London: EPPI-Centre, Social Science Research Unit, Institute of Education, University of London. See page 75.

49 Shenaz Hossein, C. (2016). *Politicized microfinance: Money, power, and violence in the black Americas*. University of Toronto Press; Bateman, M. (2017). "Small Loans, Big Problems: The Rise and Fall of Microcredit as International Development Policy", *Development and Change.* Virtual Issue. DOI: 10.1111/dech.12349; Taylor, M. (2017) "From Tigers to Cats: The Rise and Crisis of Microfinance in Rural India", in M. Bateman, M. and Maclean, K. (eds.), *Seduced and Betrayed: Exposing the Contemporary Microfinance Phenomenon*. Albuquerque: University of New Mexico Press.

50 Epstein, G.A. (2005). *Financialization and the World Economy*. Cheltenham, UK: Edward Elgar Publishing.

51 Mazzucato, M. and Perez, C. (2015). Innovation as growth policy in Fageburg, J., Laestadius, S., & Martin, B. R. (Eds) The Triple Challenge for Europe: Economic Development, Climate Change, and Governance. Oxford: OUP, 229-264; Storm, Servaas. (2018). "Financialization and Economic Development: A Debate on the Social Efficiency of Modern Finance," *Development and Change*, 49(2): p302-329; Bracking, S. (2019). "Financialisation, climate finance and the calculative challenges of managing environmental change", *Antipode: a radical journal of geography*. 51, 3: 709-729.

52 McDonald, D. and Ruiters, G. (eds.) (2012). *Alternatives to Privatization: Public Options for Essential Services in the Global South*. Abingdon, UK: Routledge. Open access available online here: https://www.hsrcpress.ac.za/books/alternatives-to-privatization; Pradella, L. and Marois, T. (eds) (2015). *Polarizing Development: Alternatives to Neoliberalism and the Crisis*, London: Pluto Press; Roberts, Adrienne (2015). "Gender, Financial Deepening and the Production of Embodied Finance: Towards a Critical Feminist Analysis," *Global Society*, 29:1, p107-127; Saad-Filho, A. (2021). *Progressive Policies for Economic Development: Economic Diversification and Social Inclusion after Climate Change*. London: Routledge.

53 EPSC (2017). "Financing Sustainability: Triggering Investments for the Clean Economy," *EPSC Strategic Notes*, Issue 25, 8 June 2017, Brussels: European Political Strategy Centre, European Commission. Available online: https://gsgii.org/wp-content/uploads/2017/10/strategic_note_issue_25.pdf. See page 1.

54 Ibid.

55 Karwowski, E. (2019). "Towards (de-)financialisation: the role of the state," *Cambridge Journal of Economics*. 43(4): 1001-27.

56 Antonowicz-Cyglicka, A., Bourgin, C., Roggenbuck, A. and Sol, X. (2020). *Can the EIB Become the 'EU Development Bank'? A Critical View on EIB Operations Outside Europe*. CEE Bankwatch Network and Counter Balance. Available online at: https://bankwatch.org/wp-content/uploads/2020/11/2020-Can-the-EIB-become-the-EU-Development-Bank_Online.pdf; Marois, T. (2021). *Public Banks: Decarbonisation, Definancialisation, and Democratisation*. Cambridge University Press.

57 Gerschenkron, A. (1962). *Economic Backwardness in Historical Perspective: A Book of Essays*. Cambridge: Belknap Press of Harvard University Press; Spratt, Stephen (2009). "An Introduction to the financial system in theory and in practice", *Development Finance: Debates, dogmas, and new directions*, London: Routledge; Garcia-Arias, J. (2015). "International Financialization and the Systemic Approach to International Financing for Development," *Global Policy*. 6(1): p24-33; Marshall, W.C. and Rochon, L-P. (2022). "Understanding Full Investment and the Potential Role of Public Banks," *Review of Political Economy*, 34:2, p340-355; Cassell, 2021.

58 Reyes O. (2020). "The Council of Europe Development Bank and Covid-19." In *Public Banks and Covid-19, Combatting the Pandemic with Public Finance*, edited by D. McDonald, T. Marois, and D. Barrowclough, p113-135. Municipal Services programme, Eurodad and UNCTAD. Available online at: https://publicbankscovid19.org/index.php/publications; CEB (2019). *Development Plan 2020-2022*. Paris: Council of Europe Development Bank. Available online at: https://coebank.org/media/documents/Web_Development_Plan_2020_2022.pdf.

59 CEB (2022). *Handbook for the preparation and implementation of projects – CEB*. Updated on 16 June 2020. See Chapter 4.

60 Mazzucato, M. and Perez, C. (2015). Innovation as growth policy in Fageburg, J., Laestadius, S., & Martin, B. R. (Eds) The Triple Challenge for Europe: Economic Development, Climate Change, and Governance. Oxford: OUP, 229-264.

61 Mazzucato, M. and Mikheeva, O. (2020). The EIB and the new EU missions framework, UCL Institute for Innovation and Public Purpose, IIPP Policy Report (IIPP WP 2020-17). https://www.ucl.ac.uk/bartlett/public-purpose/wp2020-17.

62 BNG Bank (n.d.) "Driven by social impact". Available online at: https://www.bngbank.com/About-BNG-Bank; NWB Bank (n.d.) "Our History". Available online at: https://nwbbank.com/en/about-nwb-bank/our-history.

63 BNG Bank (n.d.) "Driven by social impact". Available online at: https://www.bngbank.com/About-BNG-Bank

64 NWB (2011). *Annual Report*. 2010. The Hague, Netherlands: Nederlandse Waterschapsbank NWD Bank. Available online at: https://nwbbank.com/en/about-nwb-bank/publications.

65 EIB (2021b). *EIB strengthens global development focus and backs EUR 4.8 billion new financing for energy, transport, COVID vaccines and business investment*. Available online at: https://www.eib.org/en/press/all/2021-304-eib-strengthens-global-development-focus-and-backs-eur-4-8-billion-new-financing-for-energy-transport-covid-vaccines-and-business-investment

66 Devex (2022). "Q&A: EIB Global paves the way for private investment," *Devex Partnerships*. 17 February 2022. Available online at: https://www.devex.com/news/sponsored/q-a-eib-global-paves-the-way-for-private-investment-102653.

67 Ray, R., Gallagher, K.P. and Sanborn, C.A. (2020). "Standardizing sustainable development? Development Banks in the Andean Amazon." In *Development Banks and Sustainability in the Andean Amazon*.1-46. New York: Routledge. See Page 20. IADB (2017). *Lessons from Four Decades of Infrastructure Project – Related Conflicts in Latin America and the Caribbean*. Available online at: https://publications.iadb.org/publications/english/document/Lessons-from-Four-Decades-of-Infrastructure-Project-Related-Conflicts-in-Latin-America-and-the-Caribbean.pdf.

68 Ray, R., Gallagher, K.P. and Sanborn, C.A. (2020). "Standardizing sustainable development? Development Banks in the Andean Amazon." In *Development Banks and Sustainability in the Andean Amazon*.1-46. New York: Routledge. See page 23.

69 Ibid. See page 25.

70 Ibid. See page 38.

71 Siciliano, G., Wallbott, L., Urban, F., Dang, A.N. and Lederer, M. (2021). "Low-carbon energy, sustainable development, and justice: Towards a just energy transition for the society and the environment," *Sustainable Development*. 29(6): p1049-61.

72 Kattel, R., Mazzucato, M., Ryan-Collins, J. and Sharpe, S. (2018). The economics of change: Policy and appraisal for missions, market shaping and public purpose. IIPP Working Paper, 2018(06). See pages 788-89.

73 Mertens, D., Thiemann, M. and Volberding, P. (2021). "Introduction: The Making of the European Field of Development Banking," In: *The Reinvention of Development Banking in the European Union: Industrial Policy in the Single Market and the Emergence of a Field.* Edited by: Daniel Mertens, Matthias Thiemann, and Peter Volberding, Oxford: Oxford University Press; Mertens, D. and Thiemann, M. (2019). "Building a hidden investment state? The EIB, national development banks and European economic governance," *Journal of European Public Policy*, 26(1): p23-43.

74 See Marois, T. (2017). *How Public Banks Can Help Finance a Green and Just Energy Transformation,* Amsterdam: Transnational Institute. Available online at: https://www.tni.org/en/publication/how-public-banks-can-help-finance-a-green-and-just-energy-transformation; Marois, T. (2021). *Public Banks: Decarbonisation, Definancialisation, and Democratisation*. Cambridge University Press

75 KfW Law (2020). *Law Concerning Kreditanstalt für Wiederaufbau*. Version 19 June 2020. Available at: https://www.kfw.de/PDF/Download-Center/Law-Concerning-KfW/KfW-Gesetz-DE-EN.pdf

76 Banco Popular website. https://www.bancopopular.fi.cr/banco-popular/asamblea-de-trabajadores-y-trabajadoras/

77 KfW (n.d.). *People must be heard*. Frankfurt: KfW. Available online at: https://www.kfw-entwicklungsbank.de/s/enzBFKgV.

78 UN OHCHR (2013). *Free, Prior and Informed Consent of Indigenous Peoples*, Geneva,

Switzerland: United Nations Office of the High Commissioner for Human Rights. Available online at: https://www.ohchr.org/Documents/Issues/ipeoples/freepriorandinformedconsent.pdf.

79 Ray, R., Gallagher, K.P. and Sanborn, C.A. (2020). "Standardizing sustainable development? Development Banks in the Andean Amazon." In *Development Banks and Sustainability in the Andean Amazon*.1-46. New York: Routledge.

80 World Bank (2001). *Finance for growth: Policy choices in a volatile world*. Washington; World Bank (2014) *Global Financial Development Report 2014: Financial Inclusion.* Washington.

81 Roberts, Adrienne (2015). "Gender, Financial Deepening and the Production of Embodied Finance: Towards a Critical Feminist Analysis," *Global Society*, 29:1, p107-127; Bracking, S. (2019). "Financialisation, climate finance and the calculative challenges of managing environmental change", *Antipode: a radical journal of geography*. 51, 3: 709-729; UNCTAD (2019). *Financing a Global Green New Deal*. Trade and Development Report 2019. Geneva and New York: United Nations; Bigger P. and Millington, N. (2020). Getting soaked? Climate crisis, adaptation finance, and racialized austerity. *Environment and Planning E: Nature and Space*. 3(3): p601-23.

82 McDonald, D.A. (2016). "The weight of water: Benchmarking for public water services," *Environment and Planning A*. 48(11): p2181-2200.

83 Ibid page 2184.

84 CIB website. https://cib-bic.ca/en/

85 Kattel, R., Mazzucato, M., Ryan-Collins, J. and Sharpe, S. (2018). The economics of change: Policy and appraisal for missions, market shaping and public purpose. IIPP Working Paper, 2018(06).

86 Romero, M.J. (2017). *Public development banks: towards a better model*. Brussels: Eurodad. Available at: http://www.eurodad.org/Public-Development-Banks-towards-a-better-model

87 Antonowicz-Cyglicka, A., Bourgin, C., Roggenbuck, A. and Sol, X. (2020). *Can the EIB Become the 'EU Development Bank'? A Critical View on EIB Operations Outside Europe*. CEE Bankwatch Network and Counter Balance. Available online at: https://bankwatch.org/wp-content/uploads/2020/11/2020-Can-the-EIB-become-the-EU-Development-Bank_Online.pdf.

88 Kattel, R., Mazzucato, M., Ryan-Collins, J. and Sharpe, S. (2018). The economics of change: Policy and appraisal for missions, market shaping and public purpose. IIPP Working Paper, 2018(06).

89 McDonald, D.A. (2016). "The weight of water: Benchmarking for public water services," *Environment and Planning A*. 48(11): p2181-2200.

90 Antonowicz-Cyglicka, A., Bourgin, C., Roggenbuck, A. and Sol, X. (2020). *Can the EIB Become the 'EU Development Bank'? A Critical View on EIB Operations Outside Europe*. CEE Bankwatch Network and Counter Balance. Available online at: https://bankwatch.org/wp-content/uploads/2020/11/2020-Can-the-EIB-become-the-EU-Development-Bank_Online.pdf.

91 Invest-NL (2021). *2020 Annual Report*. Amsterdam, NL. Available online at: www.invest-nl.nl.

92 Ibid. See page 33.

93 Ibid. See page p33.

94 Ibid. See page, p62.

95 Lefeber, L. and Vietorisz, T. (2007). "The Meaning of Social Efficiency," *Review of Political Economy*. (19)2: p139-64; McDonald, D.A. (2016a) "The weight of water: Benchmarking for public water services," *Environment and Planning A*. 48(11): p2181-2200

96 EIB (2020). *EIB Group Climate Bank Roadmap 2021-2025.* Luxembourg: European Investment Bank. Available online at: https://www.eib.org/attachments/thematic/eib_group_climate_bank_roadmap_en.pdf.

97 ActionAid, Bond, CAFOD, Eurodad, Oxfam International, WWF (2015). *Delivering sustainable development: A principled approach to public-private finance*. Available online at: https://www.eurodad.org/delivering_sustainable_development_a_principled_approach_to_public_private_finance

98 Fletcher, L. and Oliver, J. (2022). "Green investing: the risk of a new mis-selling scandal," 20 February 2022. London: *Financial Times*.

european network on
debt and development

CEE Bankwatch Network

Counter Balance Challenging Public Investment Banks

Contacts

Eurodad
Rue d'Edimbourg 18-26
1050 Brussels
Belgium

+32 (0) 2 894 4640
comms@eurodad.org

www.eurodad.org

twitter.com/eurodad
facebook.com/Eurodad

CEE Bankwatch Network
Heřmanova 1088/8
Prague 7, 170 00
Czech Republic

+42 (0) 777 995 515
main@bankwatch.org

www.bankwatch.org

twitter.com/ceebankwatch
facebook.com/ceebankwatch

Counter Balance
Mundo-b building
Rue d'Edimbourg 26
1050 Brussels, Belgium

+ 32 (0)2 893 08 61
info@counter-balance.org

counter-balance.org

twitter.com/Counter_Balance
facebook.com/counter.balance.ngo