

EIB GLOBAL BRIEFING FOR THE EIB BOARD OF DIRECTORS

Dear EIB Directors,

We are taking the opportunity of the annual policy dialogue with Civil Society Organisations to discuss with you the role of EIB Global in support of EU development policies and the rules it should follow in its operations globally.

With almost €10 billion of commitments outside the EU in 2022, the EIB cannot be considered an inconsequential actor. In fact, EIB Global will play a pivotal role in the European Fund for Sustainable Development +, the main global investment tool of the EU in the post-2020 era.

Following the announcement of EIB Global as a “new arm for international partnerships and development finance [which] aims to further enhance impact and visibility of EU investments worldwide”, there has been only limited public discussion on how EIB Global can deliver on this promise to strengthen its development orientation. Similarly, scarce information is shared by EIB Global on how it works to increase “efficient cooperation with partners and beneficiaries, with development finance institutions, and civil society”.

We consider the creation of EIB Global as an opportunity for the bank to change course in its development operations. But in order to seize this opportunity, serious steps forward are required. CSOs have been following the EIB’s record in the development field for years and have documented serious problems with EIB-funded projects, including a lack of development orientation and transparency, failures in due diligence and major shortcomings in environmental, social and human rights standards.

Therefore during the upcoming meeting with the EIB Board we would like to discuss the recommendations formulated by civil society to guide the future operations of EIB Global:

- The EIB operations outside of 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. These principles should guide its operations as a public bank with a development mandate. The priority should be focusing on a pro-poor sustainable development agenda, rather than acting as a tool of economic competitiveness and diplomacy supporting geopolitical interests of the EU under the Global Gateway strategy;
- All EIB operations outside the EU should demonstrate clear development additionality and contribution towards long-term structural transformation into socially and environmentally sustainable and equitable societies, rooted in the recipient country’s national development goals. Evaluation studies should go beyond short-term impact assessment to support the pursuit of this goal by demonstrating how EIB operations contribute to strengthening recipient countries’ public service provision and access, as well as local public or private enterprise in line with national development priorities;

- EIB Global should modify its policies and governance structure to democratise decision-making processes, including by strengthening the participation of recipient countries' public authorities and civil society representatives. There is currently little participation of recipient countries in the bank's decision-making process, since the EIB governance structure is centred on its shareholders (the EU Member States) and European institutions. The bank should ensure its operations follow and support development strategies and priorities established by affected communities in recipient countries. EIB Global should also be accountable for compliance with the principles stated in the Paris Declaration on Aid Effectiveness and Accra Agenda for Action (ownership, alignment, harmonisation, managing for results and mutual accountability);
- EIB Global must ensure inclusive and meaningful consultation and engagement with communities impacted by its projects prior to their approval and throughout project implementation. Specific measures should be implemented to include indigenous peoples, women, persons with disabilities and other vulnerable groups during the consultations;
- To ensure participation is free of intimidation and coercion, EIB Global should develop protocols to assess and mitigate reprisal risks and establish procedures to effectively respond to reprisals when they do occur. This includes potential sanctions, withholding of disbursements or cancellation of contracts and disqualification from entering a contractual relationship with the EIB in the future;
- EIB should develop a dedicated system of human rights due diligence, including human rights risk assessments and requiring Human Rights Impact Assessments from promoters;
- Investment and strengthening of public goods and services should be a priority and primary goal for all EIB-funded projects rather than a secondary aim. Public goods and services are essential pillars for pandemic recovery and resilience and provide an essential basis for a strong local economy and consequently contribute to long-term economic development;
- EIB Global must ensure that local communities have knowledge about, and easy access to effective, independent and safe complaints mechanisms (an independent project-level grievance mechanism, a reinforced EIB Complaints Mechanism and access to the European Ombudsman), including the right to effective redress. The CM should be reformed and its effectiveness and safe access should be reinforced so that it becomes a more meaningful and less risky avenue for impacted rights-holders and so that its cases result in rights-based remedy for complainants;
- The EIB should put in place a remedy framework that applies to all of its projects throughout the investment cycle, from planning to supervision to response. The EIB must commit to designing a rights-based remedy framework that incorporates the UN report's recommendations for all of its projects and undertake a public consultation on that design;
- The EIB should abide by EU transparency standards and principles. Transparency of EIB operations, especially its active dissemination of information, remains limited. The Bank is still failing to meet the EU obligation to conduct its work as openly as possible. Official EIB's statistics are telling: only 57% of projects were disclosed at least 3 weeks in advance of their approval in 2021, while 96% were in 2010. Among those not disclosed in a timely manner were projects for which environmental and social impact assessments were required;



Finally, in light of the climate emergency, the EIB must swiftly deliver on its climate commitments and align all its operations with the objectives of the Paris Agreement. In pursuing these objectives, the EIB should strictly implement all its environmental and social standards and the “Do No Harm Principle”. The EIB should support infrastructure that prioritises social and environmental justice and is demanded by communities in the Global South. Interventions should be centred around the public good for a truly just ecological transition that meets the needs of people and their territories.

We look forward to receiving your feedback on any of the above recommendations during the upcoming seminar.

SIGNATORIES



Accountability Counsel



ACT Alliance EU



Arab Watch Coalition



CEE Bankwatch Network



Counter Balance



Global Responsibility



Recourse



WWF European Policy Office