

## Comments, Question & Answer Panel 2

### What are the existing accountability mechanisms at the EU level to keep the EIB accountable?

#### Summary:

In the next round of question and answer, issues concerning a recent article in the *Financial Times*, the EIB's new expanded external mandate, the possibilities to voice a complaint against EIB projects for people outside of the EIB, the mechanism of complaints with the ombudsman and the operational procedures within the EIB (including the issue of EIA) are mainly discussed.

The day previously, an article was published in the *Financial Times* which quoted President Maystadt saying that the EIB and other IFIs should consider downgrading their standards, as there are Chinese banks now competing (especially in Africa), which do not hold up social or environmental standards. It is stressed by those present from the EIB that the tone was different in the interview than was reflected in the article. Dominique de Crayencour (EIB) highlighted that the President had not suggested to downgrade safeguards but that Chinese banks did; it would thus be good for IFIs to agree among themselves on a joint reaction to this new pressure since conditionality is important and can only help the countries concerned.

Peter Maertens (EIB) formulates a need to agree on common minimum standards between the IFIs in order to prevent commercial banks taking over. Dominique de Crayencour (EIB) points out that the recent mandate (which expands the lending of the EIB outside the EU) was not an EIB-taken decision, but the outcome from the EU institutional process and it was transparent. Also that the Commission and EP influence the EIB processes as the Commission comments on EIB-projects and the EP's petitions have influence over the EIB as well.

Petr Hlobil (from CEE Bankwatch) reacts to the mentioning of the new mandate to stress that this is an opportunity for the EIB to improve its mechanisms. However, he questions the mechanisms in place in order to start operating outside the EU. Also Maartje van Putten criticises the fact that non-Europeans cannot bring complaints to the EU Ombudsman when the EIB lends outside the EU.

Ian Harden (from EU Ombudsman) states that the Ombudsman can act for people from outside the EU. However, he comes across practical problems in these cases, as it is often difficult to define who is responsible, to formulate a complaint in a way that it leads to an effective dialogue and to engage people in the actual process. Furthermore, should the Ombudsman receive more complaints, he would need more resources to deal effectively with them. According to Mr. Harden, the EIB has progressed in its willingness to participate in debates concerning complaints given the fact that the EIB's starting point was that the Ombudsman could not deal with it and that the bank can exercise its own discretion.

Some questions on the process to assess projects by the EIB were also addressed within the discussion. Regarding the point of time of the EIA, Peter Maertens stresses that the EIA should be completed before the project is approved and that the spirit of the EIA directive requires that the EIA is completed before the financing of a project starts. To a question from Tom Griffiths regarding which social and environmental criteria the EIB uses to assess its projects, Mr. Maertens restates that an EIA needs to be done before the financing of a project starts. In addition he explains that there is an EIB department to assess projects, which passes on their results to the management and board. His colleague points out that the relevant documents are on the website. Ludwig Krämer points out that according to the EIA Directive an EIA should be done prior to a decision as it results should feed into the decision and also underlined the need for the proper assessing of alternatives (cites example of a Portuguese case where a lack of proper alternatives to be assessed resulted with court decision stating the Portuguese government did not assess alternatives at all).