

Overview of the Ombudsman's linked inquiries into the transparency of projects financed by the European Investment Bank (EIB)

Correspondence - 08/06/2021

Case 1065/2020/PB - Opened on 27/07/2020 - Decision on 21/04/2022 - Institution concerned European Investment Bank (No further inquiries justified) |

Case 1251/2020/PB - Opened on 27/07/2020 - Decision on 21/04/2022 - Institution concerned European Investment Bank (No further inquiries justified) |

Case 1252/2020/PB - Opened on 27/07/2020 - Decision on 21/04/2022 - Institution concerned European Investment Bank (No further inquiries justified) |

Cases 1065/2020/PB, 1251/2020/PB and 1252/2020/PB

The European Investment Bank's role is to finance projects that achieve the policy objectives of the EU. It does this by providing loans, guarantees and technical assistance to projects within and outside the European Union. It distinguishes between two broad financing models:

- 'Direct financing', where the EIB itself directly finances projects.
- 'Indirect financing', where the EIB finances projects through intermediaries, for example other banks.

Among the main EU policy objectives that the EIB seeks to promote through the projects it finances, are those concerning climate change, the European Green Deal and 'just transition'. From 2020, the EIB's financing activities have been officially aligned with the Paris agreement [1].

The EU is committed to a very high level of public participation and transparency in relation to activities that significantly impact the environment. This includes financing of projects. The EIB has consistently committed itself to the highest possible level of transparency.

The complainants are three civil society organisations, which sought to access environmental information related to projects financed by the EIB. Dissatisfied with the information made available by the EIB, and how the EIB's 'complaints mechanism' dealt



with their subsequent complaints, the complainants turned to the European Ombudsman.

The Ombudsman considered that the complaint raised systemic concerns and opened inquiries concerning how the EIB deals with environmental information in the context of projects it finances directly, as well as projects that receive indirect financing, since these are subject to different obligations. The Ombudsman also opened an inquiry into the failure by the EIB to grant access to a specific document to which one of the complainants had sought access.

(a) How the EIB discloses environmental information concerning projects it finances directly (1065/2020)

The EU is signed up to the Aarhus Convention, a multinational agreement that sets high standards of participation and transparency in relation to activities that impact significantly on the environment. In keeping with this, the EU institutions must make public the maximum possible amount of information concerning policies and projects that have an environmental impact, and do so as early as possible during the relevant decision-making processes.

Based on their attempts to access environmental information concerning projects funded by the EIB, the complainants consider that the EIB does not comply with these standards.

In the context of her inquiry, the Ombudsman drew a preliminary assessment, which she has sent to the EIB. The assessment sets out the Ombudsman's preliminary finding that the EIB's practices are indeed complex and do not promote the highest possible levels of transparency. The Ombudsman also queries whether the EIB respects its obligations under the Aarhus Convention.

While the EIB may be justified in withholding access to certain information to protect its decision-making procedures, special principles apply to activities that impact on the environment. As such, in her preliminary assessment, the Ombudsman has set out the view that it is incumbent on the EIB to make publicly available such information about projects that it may decide to finance. Only by doing so, can members of the public attempt to influence ongoing decision-making processes, for instance by making the EIB aware of potential problems in the proposed projects.

Currently, the EIB publishes mainly very short summaries of projects that it may finance. In her preliminary assessment, the Ombudsman has made suggestions to address this issue. The Ombudsman also set out a series of other practical suggestions on transparency issues that have come to her attention so far during the inquiry.

(b) How the EIB ensures that organisations involved in its indirect financing of projects provide sufficient transparency of environmental information (1251/2020)

The EIB relies on other financial institutions to finance a large amount of projects and



activities. Doing so enables it and the projects to benefit from local knowhow and logistics, meaning resources can be used more efficiently. However, it is important that the EIB ensures institutions involved in indirect financing also comply with the general transparency commitments of the EIB, in particular concerning environmental information.

The complainants consider that the EIB does not currently do enough to ensure this is the case. They contended that the EIB should take measures to ensure that these institutions produce, collect and disclose environmental information. Where they fail to do so, the EIB should take responsibility.

For projects that are likely to have a significant impact on the environment, the EIB should have a full picture of the project and its potential impacts.

In the Ombudsman's preliminary assessment, she set out the view that, to ensure sufficient transparency of projects financed through indirect financing, the EIB should consider creating more extensive and specific environmental information obligations for the financial institutions involved. This would ensure greater transparency, and mean the public can better access environmental information and, thereby, hold those responsible for such projects to account. By improving the transparency practices in these financial institutions, the EIB would also help more generally to promote better environmental information management.

The Ombudsman also set out a series of practical suggestions on other transparency issues that have come to her attention so far during the inquiry.

(c) Access to a document concerning the EIB's decision to finance a biomass project (1252/2020)

The complainant sought public access to the minutes of meetings of the EIB's management committee, notably concerning the committee's deliberations related to the decision to finance a biomass project. The EIB refused to disclose the minutes. The Ombudsman's inquiry team inspected the document and decided to make a solution proposal to the EIB on the case.

[1]

<https://www.eib.org/en/press/all/2020-307-eu-member-states-approve-eib-group-climate-bank-roadmap-2021>