Bank Information Center comments on the European Investment Bank Public Disclosure Policy

Bank Information Center (BIC) welcomes that EIB seeks external feedback to its revised Transparency Policy, Public Disclosure Policy and Complaints Mechanism Policy. BIC would like to comment on the aspect of the policy that guides EIB’s project related information disclosure and information related to project outcomes.

Insufficient Transparency

Current project related information disclosure practices in most MDBs tend to favor disclosure of information leading up to the approval of a specific project or program. However much less is publicly disclosed on ongoing implementation of a project as well as project outcomes upon its completion. Similarly, EIB currently discloses only Project Summaries and for certain projects EIA documentations and provides no data on the progress of project implementation or its success. The website of the Bank publishes completed investments, however they are aggregated around a topic or an industry.

A growing number of civil society organizations and local communities note an insufficient reporting on progress towards achieving their long term goals, thus preventing effective external oversight on how public funds are managed. In addition, genuine transparency and public accountability is hard to achieve given no external oversight on how Bank’s provisions, safeguards and projects objectives are being achieved. Finally, as a major player in international (development) finance, the Bank fails to promote highest transparency standards in the industry and countries where it invests by limiting disclosure of project related documentation only to pre-approval stages of a project cycle.

Emerging Best Practices

Civil society groups are expecting that IFC, upon review of its current disclosure policies, will start disclosing project implementation documentation through routine disclosure of project monitoring results. In addition, as the result of civil society demands and recommendations of the Compliance Advisory Ombudsman (CAO)\(^1\), IFC considers reporting on development outcomes of each project. Since the current EIB policy does not appear to require disclosure of project documentation throughout the project cycle nor to report on outcomes on a project-level, EIB risks adapting a new Public Disclosure Policy that will have already fallen short of current best practices.

Our recommendations:

1. Paragraphs 71 to 75 of the draft Public Disclosure Policy\(^2\) describe what information will be available leading up to project initiation, including Project Summaries and EIA. However, the policy does not require publications of project monitoring documentation, audit results and an array of documentation on how the client remains engaged with the affected communities, implements mitigation measures and fulfills other obligations throughout the project cycle.

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We suggest that in line with best practices being currently adopted, the policy should require disclosure of project monitoring documentation and make them available on the project page along with the Project Summary. The policy should also require that for projects with adverse impacts on environment and society, clients should similarly disclose progress on environmental and social mitigation and remediation measures. Such documentations should similarly be translated to relevant languages and available on the EIB website.

2. While Paragraph 77 of the Disclosure Policy provides for disclosure of Evaluation Reports, sector or topic aggregated information will not be useful in promoting true transparency and accountability on a project-level nor gauge to what extent projects in fact contribute to sustainable development. We welcome provisions under Paragraphs 64 on “The Social Assessment of Projects in Developing Countries” and Paragraph 65 on “Development Impact Assessment Framework of Investment Facility Projects”\(^3\), but note that there is no requirement to publicly report on such assessments or outcomes.

We suggest that the policy call for the establishment of a system for tracking project outcomes, which would focus on development impacts of investment projects (including through Financial Intermediaries) as well as policy development and technical assistance projects. The policy should include requirements for systematic project level outcome reporting.

\(^3\) EIB Public Disclosure Policy, page 12.