DG TREN's comments:

La DG TREN accueille favorablement le document de la BEI sur le renforcement des principes et normes environnementaux et sociaux dans ses activités de prêts. Concernant les RTE-T, les considérations environnementales ont été pleinement intégrées dans la décision 884/2004/CE sur les orientations des RTE de transport et il est cohérent que les activités de la BEI, très importantes pour la mise en œuvre des projets, tiennent compte des mêmes principes. Le Document de la BEI pourrait faire référence, le cas échéant, au projet BEACON (Building Environmental Assessment CONsensus) par lequel la Commission, en accord avec les Etats Membres, a mis au point "des méthodes appropriées de mise en œuvre de l'évaluation stratégique des incidences sur l'environnement, l'objectif étant d'assurer entre autres une bonne coordination, d'éviter la répétition des efforts et de parvenir à simplifier et accélérer les processus de planification pour les projets et corridors transfrontaliers" (Décision 884/2004/CE).

La DG TREN souhaite aussi inclure dans les paragraphes 9 et 20 les modifications suivantes (en italique):

9. The EIB aims to identify, quantify and value environmental and social externalities where their influence on the viability of the project is expected to be significant. This favours projects that are expected to yield significant positive external impacts, such as a reduction in greenhouse gas (GHG) emissions and improvements in public health. But it also disfavours projects with significant residual negative external impacts, such as an increase in air or water pollution. It also favours projects where adequate corrective action is taken to reduce external costs either through internalisation, regulation or other measures. It may also provide technical assistance to that purpose.

20. Underlying the above principles is a desire on the part of the EU to ensure that investment decisions reflect their true value to society, including through the prices people are willing to pay - or are actually asked to pay as users in application of the polluter pays principle - to protect and enhance the environment and the costs that society incurs when the environment is damaged.

La raison de ces modifications est la possibilité de l'internalisation des coûts environnementaux qui doit devenir une réalité suite à la modification de la Directive Eurovignette que va proposer la Commission.

La DG TREN souhaite aussi soulever la question d'une plus forte prise en considération des activités "sécurité et sûreté" dans les activités de la BEI, qui pourraient être bien incorporées comme résultat de cette consultation publique ou bien être l'objet d'un document ultérieur. En effet, l'Union européenne se dote d'une législation de plus en plus contraignante en la matière, telle que la Directive sur la sécurité dans les tunnels1 ou bien la Directive actuellement en discussion au Parlement et au Conseil, sur la sécurité des infrastructures routières.

**DG ENV's comments:**

Overall, **DG ENV** finds it very positive to have such a public document on the EIB's environmental and social standards. The review of environmental standards in particular is very useful at a time when the environment is high on the political agenda, mainly as a result of developments in the field of the climate change. This document also increases the transparency of the EIB's operations, something which can contribute to removing tensions with respect to specific projects and specific environmental concerns.

**Distinction between environment and social dimensions**

**DG ENV** notes the tendency of IFIs lately to consider environmental and social standards together, that is to consider the two pillars of sustainable development together. Though we can understand the logic behind this, we think that it can create certain misunderstandings and decrease the role and importance of the environmental pillar. The social issue is an important one but we think it should be treated in a separate way. This is even more clear when looking at the document of the EIB: In the "Statement" itself, the social aspect does not correspond to a separate chapter, as we think it should, but it constitutes a very small part in between the environmental paragraphs. In the "principles" chapter, paragraphs 14 to 21, the social principles are referred to only in paragraph 21. In the chapter on "Standards", of the seven pages, only a little more than half of a page relates to social standards, which are mixed within the environmental ones, as Biological Diversity and Climate Change, and come after the social standards. In conclusion, we believe that if environmental and social principles and standards are put in the same document then they should be totally separated. An additional reason is that, as indicated in paragraph 40, "the social standards of the EIB apply only to operations outside the EU".

**Better profiling for projects depending on their location**

The issue of EU and outside EU also brings to the surface the environmental parameter.

It is understood that this Statement also represents the Bank's subscription to the "Equators principles" i.e. to its activities outside the Community.

As recent changes to the EU environmental policy have been a driver to adapt the Bank's 2004 statement, the new statement should also provide for a distinct profile of banking activities within the EU, compared to Third country operations where EU environmental policies generally do not apply.

Given the Bank's specific "European" role and mandate, the statement should be made to say more explicitly that projects inside the Community must fulfil Community standards and not simply "international good practice" (which may be less demanding).

Indeed in the EU there is a rich package of legislation and policy on the environment. It is clear that the main line of the EIB in the EU (and the candidate and potential candidate countries) should be to ensure that its operations comply with the EU acquis and eventually promote standards that are stricter than the ones in the EU. Outside the EU, the EIB should promote practices and standards that are equivalent/similar to the EU ones as much as possible. In relation to the countries outside the EU, the distinction between countries covered
by the European Neighbourhood Policy and others should also be made. It is expected that the EIB, as a signatory to EPE, will take into account the EU policies for the neighbouring countries and will apply the EU acquis depending on local conditions. This simple principle is somehow lost in the text where the issues of standards, principles, environment, social, EU and non EU are all put together.

An example can be found in paragraph 31, where the EIB states that "All projects financed by the EIB are required to undergo an appropriate EA as defined in the Handbook." And later in the same paragraph "For a project that may have a significant impact on the environment, the EA should be in the form of an EIA, in accordance with the requirements of the Directive". It would be more correct to say that "in the EU the correct application of EIA has to be ensured". Indeed the MS are responsible for its correct implementation and there are responsible authorities that have to decide on the significant impact. Outside of the EU, the situation is different, particularly if there is no EIA legislation. Then clearly the EIB has to take the responsibility to promote assessments along the lines defined in the EIA directive.

Low profile of climate change prevention, mitigating and adaptation

Contrary to the reasons evoked for adapting the old statement (major changes of EU key environmental policies), the draft still does not attribute sufficient attention to climate change with its mitigation and adaptation dimensions. Compared to recent developments of knowledge and policy, the Bank should attribute a much higher and more explicit and detailed importance to this policy field, which will increasingly influence the banking sector and funding instruments as well as lending requests from EIB's main public and private customers.

As it is explained in paragraph 4, this statement is not the primary source document for the environmental strategy and lending policies of the Bank. There is, therefore, not much concrete information on the climate in the document, as it is of a rather general nature and hence we have very few comments. In general, the climate topics such as mitigation, adaptation, energy efficiency, renewables and CCS are all covered in the document in a general way.

Nevertheless a few more specific remarks:

Page 6, point 6: should say that "EU requirements are among the most ambitious in the world" - instead of "demanding" which sounds rather negative.

Page 7, point 10: the statement that "recent sector policies for transport, and energy give appropriate weight to the environmental and social concerns, and that other future sector policies will do likewise". What is the source of this information? Such a comment should be substantiated.

Page 13, point 20: speaking of a "desire" on the part of the EU to ensure that investment decisions reflect their true value to society seems a bit weak and could be strengthened considering that the polluter pays principle is part of the treaty, as is the obligation of art 6 to integrate environmental concerns – which would, in our view, also cover investment decisions!
Page 14, point 24: not sure why there is a very specific criteria on rejecting projects that produce unauthorised substances that deplete the ozone layer? We would assume that no projects that would produce any unauthorised substances would be supported.

**Biodiversity**

Biodiversity is another issue which, though it is treated, could have a higher profile considering the latest developments in the field. We limit ourselves to some modifications on the text provided by the EIB as follows:

1. **Biological Diversity**

43. In regard to biological diversity, the EIB applies the principles and standards reflected in the EU nature conservation Directives on Habitats and Birds, focused on species protection and on protected nature conservation sites, notably the EU Natura 2000 network but also those recognised by the Ramsar, Bonn and Bern Conventions as well as under international marine Conventions (Helcom, OSPAR, Barcelona, Bucharest). Within the EU, the EIB also recognises the application of the EU Environmental Liability Directive as a means to increase the level of prevention and precaution on the part of the promoter, to minimise environmental risks to nature and to remedy environmental damage according to the polluter pays principle.

44. In recognition of the principle of prevention, the EIB requires that significant damage to, or disturbance of, strictly protected species and significant damage to, or deterioration of, sites protected for reasons of nature conservation should be mitigated. The Bank recognises that the prevention of damage is particularly important for natural areas, because ecosystems are often highly complex, and replacement of the goods and services that they provide may be either impossible or prohibitively expensive. In order to achieve this, an appropriate assessment of the effects on strictly protected species or the conservation values of the sites has to be carried out\(^2\) identifying alternatives and adequate measures to minimise damage. In terms of linear infrastructures, this assessment should cover the entire corridor rather than individual project sections. If, in the light of the assessment, the integrity of a conservation site is threatened, the Bank will only finance projects where the promoter can demonstrate that the following conditions are met:

   Alternative options have been identified and properly assessed and there is no feasible better alternative;

   The overall socio-economic benefits from the project substantially outweigh the environmental damage and the project serves overriding and long-term public interests;

   Adequate mitigation and/or compensation measures will be adopted that will correspond to the habitats and species affected and their functions, including the establishment of an equivalent protected area that is adequately funded, maintained and monitored.

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\(^2\) As regards Natura 2000 sites, relevant guidance is available by the European Commission at http://ec.europa.eu/environment/nature/natura2000/management/guidance_en.htm
Any plan or project likely to have a significant effect on a Natura 2000 site (or other protected site outside the Natura 2000 network), either individually or in combination with other plans or projects, shall be subject to the protection regime according to Article 6(3)&(4) of the Habitats Directive.

45. In the EU, in such cases, the Commission has to be informed; where the conservation site hosts priority features, an opinion from the Commission is also necessary.

46. The promoter is required to take measures that aim to avoid the introduction of invasive species, where there is potential for a significant negative biodiversity impact.

47. For projects located outside officially protected sites, the EIB requires any significant biodiversity impact to be avoided to the greatest possible extent, and where this is not possible, for this impact to be mitigated, compensated or offset. Within the EU, any plan or project, whether located inside or outside a Natura 2000 site, but likely to have a significant effect on such a site, either individually or in combination with other plans or projects, shall be subject to the protection regime according to Article 6(3)&(4) of the Habitats Directive.

I hope the above will be useful for the EIB.