26 September 2014

Re: EIB Transparency Policy, proposed revision 2014

European Investment Bank
Attn. Adrian Aupperle (Secretariat General)
98-100, boulevard Konrad Adenauer, L-2950 Luxembourg
E-Mail: aupperle@eib.org

Dear Adrian Aupperle,

Several British banks were founded by Quakers, who were well known for their integrity. These Quaker financiers employed good business practice and sought to increase human well-being. Investment is a tool for improving well-being by creating effective infrastructure and improving the efficiency of the production of goods and services. We recognise the importance of the EIB as a means towards creating greater human well-being in Europe and beyond.

I am writing to contribute to the review of the EIB transparency policy. It is useful to review policies once they have been in place for a few years. The EIB Transparency policy was published in 2010, and the time is ripe for review. Such reviews are good practice, and so this regular review cycle with input from stakeholders should continue and not be stopped as proposed. Indeed, the reviewing of policies is an integral part of the monitoring called for by a recent European Parliament resolution on the EIB (Resolution 2013/2131(INI) of 11/3/2014).

Before 2010, the EIB was often criticised for being insufficiently transparent. The new policy in 2010 was welcomed, and it has since been cited as good practice. It is therefore doubly unfortunate that the EIB appears to be taking a step backwards by narrowing the scope of information available through its policy commitment to transparency. QCEA urges the EIB: to continue to increase its accessibility to stakeholders, to build on the excellent work of implementing the complaints procedure, and to resist the pressure to reduce its transparency.

The EIB does currently have policies to counteract tax evasion and corruption, but transparency is a broader concept. For example, transparency that facilitates stakeholder feedback to the Bank, is one element of monitoring that the EIB has been called to improve (by the European Parliament as well as by other stakeholders). Transparency is quite essential, and the useful steps taken by the EIB in 2010 should be further developed, not reversed.

Clause 15(3) of TFEU, which is cited to support the EIB's proposal to narrow its application of transparency, does not require a narrowing of transparency. It does permit the EIB to apply the TFEU's requirements of openness to administrative functions only. However, it does seem obvious that most functions of a lending institution are administrative. Indeed, a number of legal precedents and examples indicate that most functions of the Bank are administrative. But permission is not a requirement. It is on this basis that the Quaker Council for European Affairs (QCEA) calls on the EIB to continue to develop greater transparency rather than less.
A more democratic approach, one more in line with the EU's fundamental values which the EIB works to uphold, would be to follow the practice of the World Bank of denying complete transparency only for listed exceptions. Transparency is not all or nothing: information may be provided in a form which cloaks or black-out only particularly sensitive commercial information, but provides all other detailed information. Concern regarding the confidentiality of commercial information is accepted as important. But it is only in exceptional cases that the provision of detailed information would truly harm people. QCEA therefore recommends that the EIB adopt the best practice of the World Bank Group by upholding a policy of disclosing any information in its possession that is not on a list of specific exceptions.

Greater transparency in the EIB has called for by the European Parliament, in addition to the existing corruption and tax fraud measures. In Resolution 2013/2131(INI) of 11/3/2014 the Parliament

(82.) Calls on the EIB and other associated partners and stakeholders to further improve their governance mechanisms through, inter alia, the development of exhaustive and sound monitoring, reporting and control systems;

(97.) Calls on the EIB to increase further the transparency and accessibility of its activities, evaluations and outcomes through better access to information, both internally to EIB staff, by incorporating participation at relevant internal EIB meetings, and externally, for example on its website...

The EIB has an excellent complaints mechanism. In some cases, greater problems have been found on site than were identified in the original complaint. This is recognised in the European Parliament's calls for the EIB to 'ensure the full independence and viable functionality of its complaints mechanism' (para 84). Transparency means that the adaptive management decisions made in response to complaints should be reported, and the impact monitored. The results of the monitoring should also be reported.

One essential aspect of transparency is straightforward ease of locating information. QCEA would like to suggest that the EIB website be thoroughly examined and revised in order to improve access to information. This may mean a thorough redesign of the site map. Information could be found more easily if it were grouped and cross-referenced, as well as being updated regularly.

We would also proposed some specific changes in the draft policy, such as in Section 4.13. Currently, it states that cancelled projects will be removed from the website. QCEA suggests that instead project descriptions should be labelled as cancelled and left on the website. This would help stakeholders participate in and appreciate the monitoring of the EIB.

The proposal by the Bank to avoid the duplication of information and unnecessary work of updating, by referencing but not duplicating other bank policies, makes sense. It would be useful for both Bank staff and stakeholders to find in the Transparency policy a reference and link to the other document, such as in Section 7 referring to the Social and Environmental Handbook details on stakeholder engagement and public consultation.

We are confident that you will note our concerns regarding the need for improved transparency and hope that you find our practical suggestions helpful.

Yours sincerely,

Alexandra Bosbeer
Representative and Head of Office

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