



**European Investment Bank**

# **COMPLAINTS OFFICE**

## **Activity Report**

**2008**

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## 1. Introduction

In 2008 the EIB has consolidated its best practices in the field of accountability by translating them into a comprehensive policy package consisting of the EIB Complaints Mechanism Policy (CMP), the Terms of Reference of the EIB Complaints Office as well as a Memorandum of Understanding with the European Ombudsman. Following the approval of the EIB CMP, the Complaints Office (CO) centralises the handling of complaints of maladministration received by the Bank with a view to fostering the EIB Group's accountability and transparency towards its stakeholders whilst ensuring the effective and efficient handling of complaints and prevent their escalation to the European Ombudsman (EO) and/or to other compliance review mechanisms.

The 2008 Annual Report outlines the activities performed by the CO:

- Handling of complaints lodged with the EIB (Secretary General)
- Handling of complaints lodged with the EO against the EIB;
- Communications submitted to the Aarhus Convention Compliance Committee (ACCC) regarding the EIB;
- Follow-up activities performed on closed complaints handled by the CO;
- Inter-institutional co-operation, within and beyond the EU framework, and dialogue with Civil Society Organisations in close cooperation with SCC/COM.

## 2. Policy Review

The Complaints Mechanism Policy sets the general guidelines for the exercise of the right to lodge a complaint with the EIB Secretary General / Complaints Office, the internal complaints mechanism and informs stakeholders on the available external scrutiny of the European Ombudsman, which constitutes the independent complaints mechanism of the Bank. The Policy is complemented by a Memorandum of Understanding with the European Ombudsman as well as the Terms of Reference of the EIB Complaints Office. Elaborated by the EIB Complaints Office in co-operation with the concerned services of the Bank, the Policy and the accompanying documents were approved by the Management Committee on 24 June 2008 and published on the EIB Website on 10 July 2008 together with information on the EIB Complaints Mechanism in all official languages of the European Union (<http://www.eib.org/about/news/how-to-lodge-a-complaint.htm?lang=en>).

The Bank's Complaints Mechanism has a two-tiers structure and consists of an internal mechanism, independent from operational services of the Bank, and an external mechanism (the EO), which carries a fully independent review on the activities performed by the Bank when handling complaints lodged with the internal mechanism. The Internal tier of the Complaints Mechanism aims at streamlining and consolidating the complaints handling through a centralised non-operational unit, the Complaints Office, whose pivotal objectives are:

- To effectively address concerns expressed by complainants;
- To facilitate friendly solutions whenever possible;
- To recommend operational corrective action(s) and/or review of Bank's policies and/or procedures, whenever applicable.

This will foster better compliance with applicable Community legislation, Bank's policies and principles of good administration as set by the jurisprudence of the European Ombudsman and the European Court of Justice. Furthermore the added value of the Internal Complaints Mechanism includes:

- To reduce the number of complaints reaching the second tier of the mechanism;
- To improve time, quality and consistency of the EIB's replies in cases that do reach the second tier;
- To relieve the concerned services of the Bank from the extra-burden of handling unsolicited correspondence;
- To centralise knowledge and facilitate dissemination of best practices across the Bank's services.

Together with the Complaints Mechanism Policy, the Terms of Reference of the Complaints Office identify the main features and functions of the Office. This document will be further completed by the Internal Procedures of the EIB Complaints Mechanism, including a Stakeholders' Engagement Protocol, which is the procedure to be adopted when handling sensitive complaints requiring greater involvement with stakeholders.

Negotiations regarding a Memorandum of Understanding (MoU) between the EO and the EIB were carried out in the first half of 2008 leading to the signature of the Memorandum on 9 July 2008 at the EIB's premises. The MoU achieves a common understanding of purpose and consistency of application across the internal and the external complaints mechanism, with a specific focus on:

- The European Ombudsman commitment to use its own initiative power systematically in order to handle complaints lodged by non-EU complainants, should a complaint be inadmissible on the sole basis of article 2.2 of the EO Statute, i.e. when the complainant is not a citizen or resident of the European Union
- The starting point and the scope of the EO's review, with the recognition of the EIB's internal mechanism as the prior administrative approaches required by Article 2.4 of the EO's Statute.

The Memorandum was published on the Official Journal of the European Communities on 25 September 2008 (OJ C 244, p. 1–2) in all official languages of the European Union.

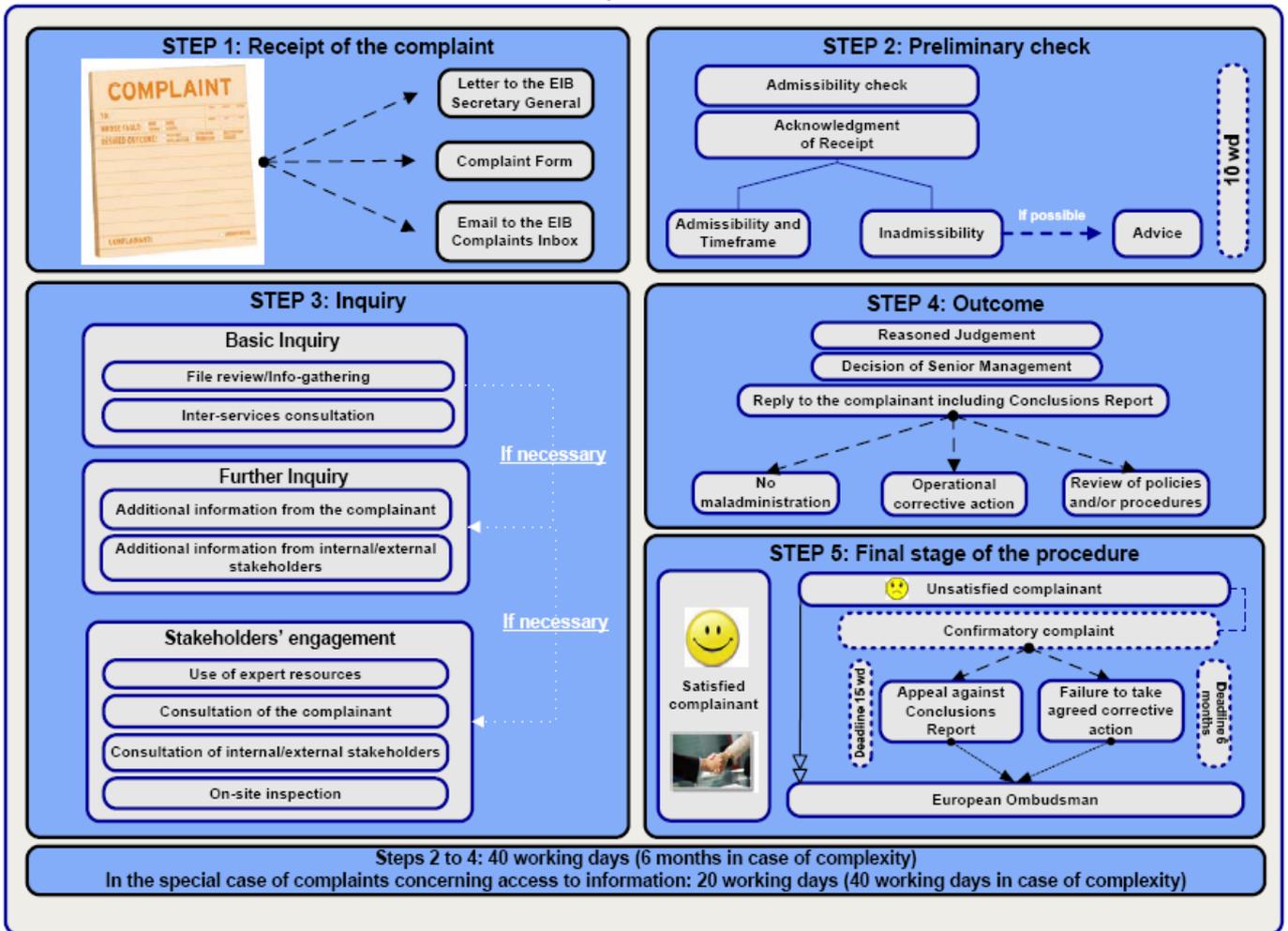


Fig. 1: the EIB's internal complaints mechanism

### 3. Complaints

#### 3.1. Complaints Overview and Statistics

In 2008 the EIB CO dealt with an increasing number of complaints, from 15 complaints handled in 2007 to 40 complaints handled in 2008. These cover the handling of complaints lodged directly with the EIB Complaints Mechanism, complaints against the EIB lodged with the European Ombudsman and the communications against the European Community for action or omission of the EIB submitted to the Aarhus Convention Compliance Committee.

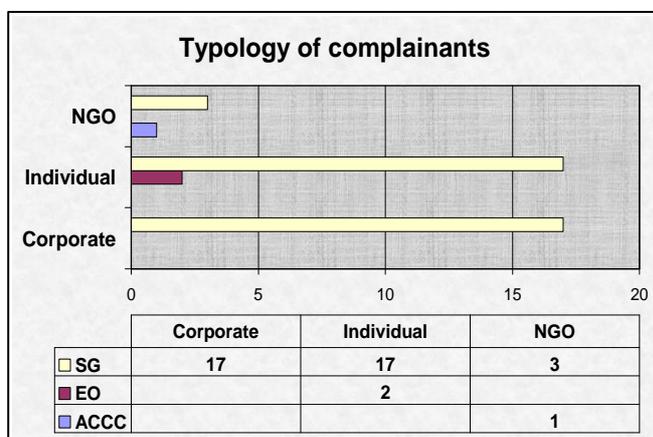


Fig. 2 Typology of Complainants

Figure 2 outlines the typology of complainants on the basis of the level of the Complaints Mechanism with which the complaint is lodged. Complaints lodged by individual members of the public equal those lodged by corporate within the framework of the Bank's internal complaints mechanism. The EO investigated complaints lodged against the EIB by individuals; although civil society organisations have been manifestly less active than the other two groups as regards the submission of formal complaints with the EIB internal complaints mechanism (only three complaints in 2008), a NGO has lodged with the Aarhus Convention Compliance Committee a pending communication against the European Community for alleged breach of the Aarhus Convention in 2007, communication handled by the Compliance Committee throughout 2008.

## 2008 Highlights

### General

None of the complaints dealt with by the CO in 2007 and 2008 escalated to the second tier of the EIB Complaints Mechanism, namely the EO. Furthermore, the CO notices that the close cooperation with SCC/COM on complaints concerning access to information has been fruitful, thus resulting in a substantial drop of such complaints. This is due to the quality of the replies from SCC/COM to communicants as well as to the increasing involvement of the CO to provide advice on complex issues.

### Independency of the Complaints Office

According to its Terms of Reference, the CO is operationally independent, placed under the dual responsibility of the Secretary General and of the Director General of Strategy and Corporate Centre (SCC), and under the supervision of the Vice President in charge of Complaints. The dual reporting line has proven useful when dealing with complaints activities which fall under the specific responsibility of either the Secretary General or the Director General SCC.

### Procurement related complaints

The CO dealt with a large number of complaints (17) concerning procurement in projects. Most of these complaints concerned projects financed outside of the EU, in particular South-East Europe and pre-accession countries. The issues range from perceived discrimination of potential tenderers to dissatisfaction with technical/economical evaluation and issues relating to the design of the project financed. In particular the non-objection and due diligence from the EIB were challenged. Mainly the transport sector was subject to such complaints. Within the framework of the procedure for handling of one of these complaints, following internal management discussions, the EIB Management Committee called for a review the EIB Guide to Procurement through the EIB Procurement Steering Committee.

### Stakeholder Engagement

The EIB CMP states that the CO is committed to engaging with the complainants, and generally, with all relevant internal and external stakeholders, through structured dialogue with a view to gathering additional data and information which are relevant to the processing of the complaint and to facilitate solutions. As regards complaints dealt with in 2008, the CO did engage with internal and external stakeholders. External stakeholders included

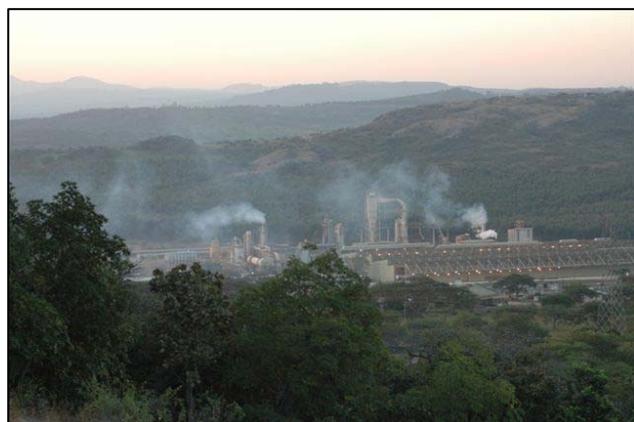


Fig 3 Sonae Novobord Factory in South-Africa

complainants, project IAPs (Interested Affected Parties), relevant NGOs, project promoters, other IFIs recourse mechanisms and other Institutions. When engaging with promoters, the CO does so always in coordination with OPs lending staff, relationships managers and external offices.

In 2008, the EIB CO performed its first full stakeholder engagement with an on-site visit. This complaint was launched by two South-African citizens regarding environmental impacts of project Sonae Novobord – expansion factory and dryer in White River, South Africa. The final Conclusions Report from the CO included actions agreed with the promoter to improve the environmental and health impacts of its panel board factory.

### Icelandic Crisis

In 2008 the CO has also registered an increase in the number of grievances concerning the borrowing activities of the EIB. In that regard, an important share of such complaints has been spurred by the economic crisis in Iceland and its impact on the Icelandic currency, thus affecting holders of EIB Bonds in such value. Although none of the inquiries found maladministration on the part of the EIB, in accordance with its commitment to a culture of service towards its stakeholders, the CO has, where possible, provided the complainants with an advice on how to address their concerns to the appropriate review procedures.

### Public consultation on the EIB's sectoral policies

The EIB Complaints Mechanism has provided a forum for discussion on the enhancement of the transparency and openness of the EIB with regard to its sectoral policies with an important environmental component. Following a complaint lodged in 2008 (closed on 20 January 2009) by CEE Bankwatch and Client For Earth, and concerning the alleged lack of public consultation on the Bank's Transport Lending Policy, the CO presented its conclusions and proposals to the Bank's Management Committee, which agree to launch a public consultation at the time of the review of the Transport Lending Policy in 2010. This public consultation will be compliant with Aarhus Regulation.

### 3.2. Complaints lodged with the EIB

From the 37 complaints lodged within the framework of the EIB internal complaints mechanism: **six** contained allegations regarding the borrowing activities of the Bank (**C** complaints), **seven** concerned the economic, environmental and social impact of a project financed by the EIB as well as governance aspect (**E** complaints), **five** concerned issues pertaining to the Human Resources (**HR** complaints) and **fifteen** contained allegations on procurement (**P** complaints). Finally, 4 inadmissible complaints were filed after the complainants were provided with a reply and, whenever possible, an advice.

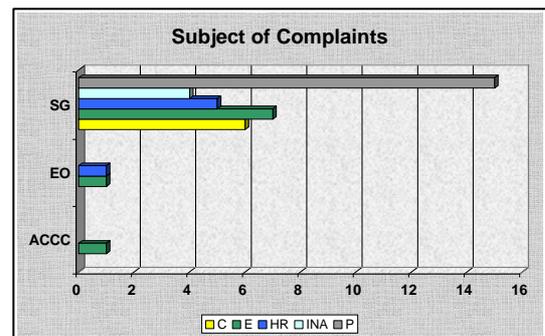


Fig. 4: Subject of complaints

Figure 5 shows the preference of complainants as regards the communication channels used when lodging a formal complaint with the EIB's internal complaints mechanism.

Out of 37 complaints, three (two procurement-related complaints and a HR-related complaint) were carried out within the framework of a Recourse Prevention initiative of the EIB Complaints Office. In these cases, the EIB CO provides the competent services of the Bank with the necessary information and support for them to directly reply to the complainants.

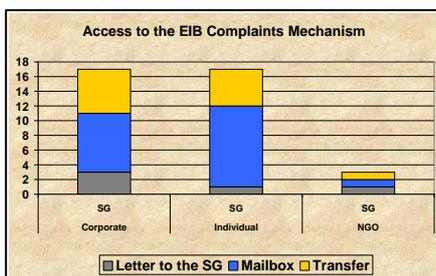


Fig. 7: Investor's Complaints

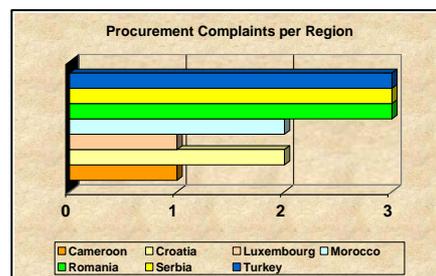


Fig. 5: Access to the EIB Complaints Mechanism

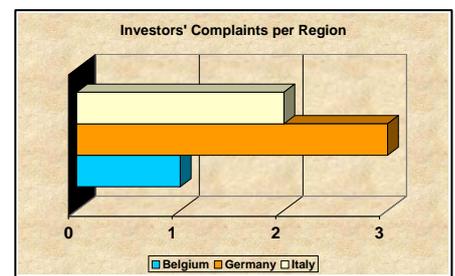


Fig. 6: Procurement-related Complaints

The amount of complaints received and dealt with in 2008 more than doubled in comparison to 2007. This can be seen as a result of a well-function appeal mechanism but also a result of the financial/economical crisis. Indeed it we noted 6 complaints about the performance/processing of EIB bonds, of which 4 regarding the ISK market, and 14 complaints relating to projects procurement (and one regarding internal procurement).

Whilst complaints concerning the environmental and social impact of projects financed by the EIB increased from 2 in 2007 to 7 in 2008, the number of complaints from CSOs remains comparatively quite low. This might be seen as good evidence of EIB efforts in its relations with civil society at an early stage, especially in terms of disclosure and information.

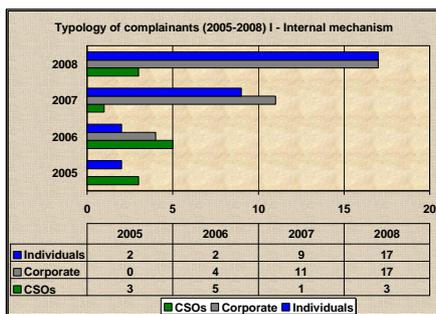


Fig. 8: Internal Complaints by origin

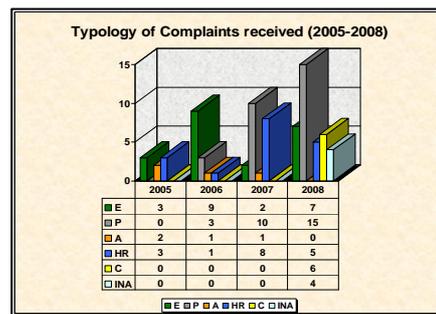


Fig. 9: Internal Complaints by subject

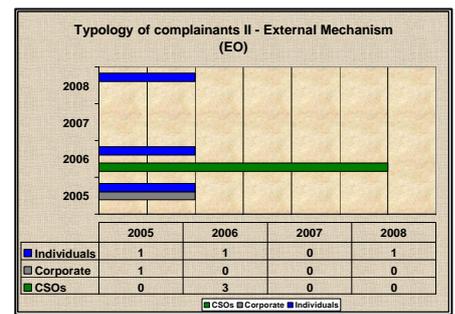


Fig. 10: Typology of Complaints to the EO

### 3.3. Confirmatory complaints

The opportunity to lodge a confirmatory complaint has been introduced by the EIB CMP with a view to :

- To offer a forum for further review of the allegations made by the complainant, especially when additional facts are brought by the complainant;
- To further reduce the possibility of the escalation of the complaint whilst widening the Bank's awareness of concerns which might then become object of a complaint lodged with an external and fully independent compliance review mechanism.

In 2008, four complainants decided to lodge a confirmatory complaint following the partial or total rejection of their complaints. Two out of the four confirmatory complaints concerned the borrowing activities of the Bank while the rest concerned respectively a procurement-related and a governance-related complaint.

### 3.4. The Complaints Inbox and e-Accountability of the EIB

The complaints mailbox ([complaints@eib.org](mailto:complaints@eib.org)) provides the public with an additional channel to lodge complaints against the EIB. In 2008 the Bank received 20 formal complaints via this mailbox. All HR complaints (5) were lodged via the Complaints Inbox, while the rest were spread over the other categories of complaint and, in particular, procurement-related and environmental impact/governance-related complaints.

Complainants who wish to access the EIB Complaints Mechanism on-line can lodge a complaint by filling in the form. This form (fig. 11) is available in all official languages of the European Union on its website (<http://www.eib.org/infocentre/complaints-form.htm>).

The screenshot shows the EIB website's 'Complaints Form' page. At the top, there is a language selector set to 'English (en)', a 'Sitemap' link, a 'FAQ' link, a search bar, and an 'Advanced Search' button. The main navigation bar includes 'ABOUT', 'PRODUCTS', 'PROJECTS', 'CAPITAL MARKETS', and 'INFOCENTRE'. On the left, a sidebar lists various news and events. The central content area is titled 'Complaints Form' and contains several paragraphs of text explaining the complaint process. Below the text are two main form sections: 'Contact information' and 'Complaint'. The 'Contact information' section includes input fields for 'Name', 'On behalf of', 'Address', 'Telephone number', 'Email', and 'Fax number'. The 'Complaint' section includes a 'Subject' field and a large text area for 'What are the details of your complaint?'. On the right side of the form, there is a 'Display in:' dropdown menu with a list of languages including Bulgarian, Czech, Danish, German, Estonian, Greek, English (selected), Spanish, French, Italian, Latvian, Lithuanian, Hungarian, Maltese, Dutch, Polish, Portuguese, Romanian, Slovenian, Slovak, Slovenian, Finnish, and Swedish.

Fig. 11.: On-line Complaint Form

### 3.5. Complaints lodged with the European Ombudsman

In 2008, the EIB CO co-ordinated the competent services of the Bank with a view to handling two complaints against the Bank lodged with the European Ombudsman.

The first complaint **EO/0244/2006/(BM)JMA "TGV Madrid-Figueres"** concerns the environmental impact of a high-speed railway project connecting the capital of Spain to the French border, financed by the EIB within the framework of its assistance to the achievement of the EU policy goal of a Trans-European Network of transports. Lodged in 2006 and following further inquiries of the European Ombudsman, on 24 April 2008 the latter requested to carry out an on-site inspection on the relevant files; in particular, the Ombudsman requested the EIB whether it could produce an "official" document attesting that its services had carried out the due diligence on the EIA document for the contested segment. The inspection was held on 23 May 2008 at the EIB premises.

On 8 July 2008 the European Ombudsman issued a draft Recommendation to the EIB whereby he invited the EIB not to disburse any financial assistance to the contested segment before it had reviewed the EIA certification issued for the segment at stake and, in addition, requested the EIB to adequately and formally record the review carried out by the competent services of the Bank. In its reply of 30 September 2008, the EIB confirmed that no financial assistance was yet provided to the contested segment due to the incompleteness of the environmental certification to date provided by the Promoter, incompleteness which had ultimately caused the absence of a formally and adequately recorded file of the review which had been carried out following the issue of the EIA document and prior to the receipt of the missing environmental certificates (Natura 2000). Moreover, the EIB took a pro-active approach to the

recommendation of the Ombudsman and informed the latter that the competent services of the Projects Directorate General had been given guidelines concerning the record of the review they carry out on condition precedents having an environmental impact prior to the disbursement of the EIB funding. At the time of the drafting of this report, the European Ombudsman is considering the final opinion of the Bank and of the Complainant; his final decision on the complaint is expected in early 2009.

The second complaint against the Bank lodged with the European Ombudsman - **EO/RPM/0854/2008/JMA** - concerns the alleged failure by the HR Department to reply to the correspondence of the Complainant who wished to lodge an internal complaint within the framework of the EIB Dignity at Work Policy. In the case at stake, the European Ombudsman deemed appropriate to firstly contact the EIB Complaints Office and request the latter to appropriately liaise with the competent services of the Bank with a view to providing the complainant with the due reply.

Following the inter-services consultation carried out by the EIB CO with the HR Department as well as with the legal services of the Bank, on 7 May 2008 the HR Department replied to the Complainant and provided the latter with the requested information. On 19 May 2008 the European Ombudsman therefore proceeded to close the file insofar as the EIB had taken the appropriate corrective measures to rectify its practice in accordance with the provisions of the European Code of Good Administrative Behaviour.

#### Box 1 The EO Jargon: how do they speak in Strasbourg?

**European Code of Good Administrative Behaviour:** Drafted by the European Ombudsman, the Code was adopted by Resolution of the European Parliament of 6 September 2001 and reviewed in 2005. It sets the basic provisions concerning good administration. It applies to all European institutions and bodies.

**Further inquiries:** The Ombudsman launches further inquiries whenever it deems appropriate to further investigate in the administrative behaviour of the institution or body complained against. Further inquiries may include written requests for information, staff's hearings and on-site inspections.

**Further Remark:** The Ombudsman may issue further remarks regardless of the fact he has found that the institution or body complained against has committed an instance of maladministration. Further remarks are intended to provide guidance to European institutions and bodies in their efforts to improve/strengthen their administrative practice

**Critical Remark:** Critical remarks are issued in conjunction with a decision of maladministration. They identify the practice to be corrected and are resumed in the final paragraph of the Ombudsman's decision.

**Draft Recommendation:** When the scope of action of the institution or body complained against is still free and the latter can still steer its administrative behaviour with a view to complying with the principles of good administration, the European Ombudsman may deem appropriate to issue a draft Recommendation indicating a possible solution of the controversy, solution which, due to the nature of the Ombudsman institution, requires the endorsement and pro-active co-operation of the institution/body concerned.

**Special Report:** In case the institution or body concerned refuses to implement or incorrectly implements the Ombudsman's recommendation, the latter may consider the opportunity to exercise further pressure on the institution/body complained against by submitting a special report to the European Parliament.

### 3.6. Communications submitted to the Aarhus Convention Compliance Committee



Fig. 12: Palais de Nations, Geneva

In 2008, the EIB CO has handled the first communication against the European Community submitted to the Aarhus Convention Compliance Committee and alleging several breaches of the Aarhus Convention by the EIB in its financing of a project of Thermal Power Plant in Vlore, Albania (ACCC/C/2007/21). The project is co-financed by the EBRD and the World Bank and forms part of a wider intervention in the region. The communication follows a previous complaint lodged with the EIB Complaints Mechanism in 2006 as well as a preceding communication (ACC/C/2005/12) against Albania for several breaches of the Convention.

On 4 April 2008 the EIB provided the European Commission which represents the European Community before the Compliance Committee with its opinion on the allegations made by the communicant. Following further EIB's comments to the Commission's draft submissions to the ACCC on 20 June 2008, the Secretariat of the Compliance Committee received the final position of the Party concerned on 13 August 2008.

On 17 September 2008, the Compliance Committee discussed the communication at stake with the Party concerned, the Communicant and the EIB which participated to the Compliance Committee's 21st meeting as an institutional observer. In this occasion, the parties had the opportunity to expand on the issues reviewed by the Compliance Committee and, in particular, to provide additional information on the facts pertaining to the fulfilment of the communicant's request for environmental information as well as to the issue of public participation in decision-making in EIB-financed projects. Finally the European Community was requested to provide information on the jurisdictional and non-jurisdictional procedures available to citizens with a view to challenging actions or omissions which could be non-compliant with the Convention.

The Compliance Committee continued its deliberations on the communication within the framework of its 22<sup>nd</sup> meeting which took place on 17-19 December 2008. From the information provided by the European Commission, it appears that its draft recommendation and findings are expected to be issued in early 2009.

### 3.7. Mediation activities

As part of the preventing complaints lodged against the EIB, the CO provides concerned services of the Bank with internal consultancy regarding the handling of correspondence from members of the public. In line with its function of internal mediator, the CO facilitates problem-solving or gives recommendations on a case to case basis with a view to disseminating best practices and enhancing the culture of service from within the institution. This mediation activity is also intended to decrease the number of complaints being escalated to the CO and ultimately to the EO. In 2008, the CO has dealt with 18 mediation activities. The greatest share of the cases concerns the Communications Department and the Ops Departments (respectively 9 and 4) and the rest cover activities of the Inspectorate General – Fraud Investigation Unit, HR, PJ and FI Departments (respectively 1, 1, 1 and 2).

## 4. Follow-up

The Complaints Office endeavours to monitor handled complaints with a view to contributing to the learning process leading to good administration and the establishment of a culture of service within the EIB. Moreover, follow-up activities aim at assisting the Bank's management as well as at improving the time and quality of the reaction of the Bank's services whenever the complainant decides to pursue the matter further by lodging a complaint with the 2<sup>nd</sup> level of the EIB's Complaints Mechanism (the EO) or with other international/European bodies such as the Aarhus Convention Compliance Committee.

In 2008 the Complaints Office in co-operation with the Bank's services concerned have launched a "follow-up" campaign following the invitation of the EO in June 2008 to provide feedback on the follow-up given by the Bank to his critical and further remarks in three complaints closed in 2007 (0948/2006/BU, 1779/2006/MHZ and 1807/2006/MHZ). The EIB replied to the Ombudsman on 23 July 2008.

In case **1807/2006/MHZ** "*Flood Damage Reconstruction Project*", the Ombudsman criticised the EIB for not having reacted to official reports which suggested that the Polish authorities considered that an environmental impact assessment was unnecessary for certain flood reconstruction and repair works. The Ombudsman also noted the valuable role played by NGOs in bringing relevant information to the EIB's attention and encouraged the EIB to continue to engage constructively with NGOs. In response, the EIB issued an internal note clarifying the responsibilities of its operational services as regards obtaining, checking and publication of environmental documentation relating to EIB-financed projects. Moreover, the EIB designed new procedures applying to Framework Loans, including the environmental monitoring performed by the Bank's services. The EIB also acknowledged the valuable input of civil society organizations, including NGOs, and other interest groups and emphasised that it continues to develop a proactive approach to create new ways of dialogue and working together. In this context, the EIB presented a non-exhaustive list of its meetings with NGOs about specific projects and topics, as well as its participation in events organised by NGOs.

In case **0948/2006/BU**, the Ombudsman held that the EIB was entitled to refuse an NGO's request for access to a finance contract concerning a railway modernisation project in Slovakia, on the basis of an exception in its rules on public access to documents. The EIB had made clear during the inquiry that it would have no objection to the disclosure of the finance contract by the borrower or the Slovak Government. The Ombudsman made a further remark encouraging the EIB, in dealing with future access requests of this kind, to consider contacting the national authorities itself in order to ascertain the possibility of disclosure. The EIB could, in this way, usefully contribute to mitigating language problems that some citizens may encounter in addressing requests for public access to the authorities of the Member State concerned. In response, the EIB explained that it had followed the suggested procedure in handling a request for disclosure of a framework agreement with the Republic of Albania. The document was disclosed in January 2008, with the agreement of the Albanian authorities. Moreover, in March 2008, the EIB disclosed to the same applicant the finance contract between the EIB and an Albanian corporation for a thermal power plant project, as well as the guarantee agreement between the EIB and Albania, with the exception of the annexes to the finance contract. In June 2008, as a result of intensive liaison with the Albanian authorities in Brussels, the EIB also disclosed the annexes.

In complaint **1779/2006/MHZ**, the Ombudsman made a further remark suggesting that the EIB might wish to consider, in the future, establishing channels of communication with, and seeking information from, relevant national and regional control instances, such as ombudsmen, which can serve as an additional source of information concerning compliance with national and European law of projects financed by the EIB. In response, the EIB stated, that following the signature of the Memorandum of Understanding between the European Ombudsman and the EIB on 9 July 2008, the EIB is committed to meeting the Ombudsman at least once a year to discuss the improvements to cooperation and possibly taking advice on the compliance of the specific EIB-financed projects with the principle of good administration. The EIB also pointed out that on 24 June 2008, it established its own EIB Complaints Mechanism Policy through which the EIB will be able to secure existing contact channels and create new ones with the other financial institutions and control instances, such as national ombudsmen.

On 1st December 2008, the EO published a study of the follow-up given to all critical remarks and further remarks made in 2007. The 2007 study includes six "star cases" which illustrate how a constructive response to the Ombudsman's criticisms and suggestions can help promote a culture of service, thereby serving Europe's citizens better and winning their trust. One case, in which the EO considered that the EIB's follow-up, was exemplary, is included in the list of "star cases" (1807/2006/MHZ). The study is also published on the European Ombudsman's website.

## 5. External contacts

### 5.1. The European Ombudsman



Fig. 13: Signature of Memorandum of Understanding, 9 July 2008

With the regard to the EO, the CO recommended and facilitated the inter-institutional agreement leading to the signature of the Memorandum of Understanding with the European Ombudsman. On 23 October 2008, the CO attended the presentation of the 2007 EO Annual Report to the EP. In addition and as a consequence of the enhanced co-operation agreed in the MoU, the EIB CO co-ordinated with the competent services of the European Ombudsman and of the EIB a short exchange programme for staff of the two institutions aiming at mutually fostering awareness and consolidating knowledge of the two institutions. In October 2008 the EIB has hosted two days of workshops and round tables on the issue of Accountability and Corporate Governance within the EIB. The legal officers of the European Ombudsman participating to the event were also provided with information on the institutional and policy framework in which the Bank operates. Equally, in November 2008 a delegation of the EIB has attended a similar awareness-session at the EO's premises in Strasbourg.

### 5.2. Other IFIs

The CO had regular contacts with similar mechanisms of other IFIs, through interest general meetings and through specific interaction regarding complaints of co-financed projects.

**The Fifth Annual Meeting of Principals of Independent Accountability Mechanisms** was organised by the African Development Bank in Tunis on 24-25 June 2008 and gathered representatives of the accountability mechanisms of various IFIs<sup>1</sup>. Each Institution presented its own accountability/complaints mechanism on the basis of a common self-assessment framework: the ACEE, which includes criteria on Accessibility, Credibility, Efficiency and Effectiveness. The AfDB (Compliance Review and Mediation Unit), ADB (Compliance Review Panel), IADB (Independent Investigation Mechanism), IFC (Compliance Advisor Ombudsman) and EBRD (Independent Recourse Mechanism) have put in place more or less independent mechanisms similar to the World Bank's Inspection Panel.



Fig. 14: 5<sup>th</sup> Annual meeting of principals of independent accountability mechanisms

EIB representatives informed the participants on the approval of the EIB Complaints Mechanism Policy in particular the unique characteristics of the EIB's 2-tier complaints mechanism in the context of an EU institutional framework. The important differences between the EIB and the other IFIs in this domain are:

- The EIB is the only one to have a formal internal mechanism to deal with complaints on a first level, which allows for a fruitful interaction with operational departments;
- The EIB is the only one to have a mechanism whereby the internal complaints function is scrutinised by an external independent body, the EO;

<sup>1</sup> World Bank, IFC/MIGA, AfDB, ADB, IADB, JBIC (Japan Bank for International Cooperation), NEXI (Nippon Export and Investment Insurance), OPIC (Overseas Private Investment Corporation), EBRD and EIB.

- The CO (and the EO) accept complaints about any type of maladministration or non-compliance, not only about impacts of financed projects;
- The CO (and the EO) accept complaints from individuals or NGOs and not only from “project affected groups” as is the case for the other IFIs whereby the complainants need to prove that they are affected by a specific project in order for the complaint to be eligible (It is noted that around 50% of the other mechanisms workload is in assessing the eligibility of complaints);
- More particularly, the CO (and the EO) accepts complaints without the requirement to specifically indicate which policies or procedures the complainant believes are breached.

### **5.3. Civil Society**

In addition to the CO's liaison with institutional counterparts and peer mechanisms in place at the other IFIs, the EIB CO has been actively involved in the enhanced dialogue with external stakeholders and in particular with Civil Society Organisations interested in its activities and Complaints Mechanism.

The Tunis IFIs meeting was followed by a 2-day **Civil Society Seminar on Community Awareness and Accessibility of the Independent Accountability Mechanisms** attended by 12 Civil Society organisations from African countries. The main topics discussed were the accessibility of accountability mechanisms to affected people and the expectations of local and national African CSOs/NGOs of the mechanisms. Regarding the latter it is noted that there is an unrealistic expectation by the civil society that accountability mechanisms should function as a judicial system to hold their respective governments accountable as well as expectations of protection of complainants within their countries. Discussions were held on how both the accountability mechanisms as well as civil society organisations could improve the awareness of affected people and on how to make the mechanisms easier accessible.

Furthermore, the EIB CO participated to **“The European Investment Bank - facing challenges as it turns 50”** a conference organised and Counter Balance and hosted by Monica Frassoni MEP, on 1<sup>st</sup> of July 2008 in the European Parliament, Brussels. The meeting focused on the challenges faced today by the EIB as a result of the increased role it plays in regions outside the EU as well as on the Governance-related issues.

Finally, the EIB CO participated to **“Right to Appeal”** a conference organised by Counter Balance and CBRM (Campagna per la Riforma de la Banca Mondiale) on 12 December 2008 in Rome. This event was targeted at the new EIB Complaints Mechanism Policy and the World Bank Inspection Panel was also invited. The conference gathered around 30 representatives of a dozen of (major) NGOs. In this occasion, the EIB was congratulated for the recent developments in this area. In this context, the unique characteristics of EIB mechanism were recognised as open and easy access to the mechanism, width of its scope, clear and short deadlines for reply, independence of the mechanism through the possibility to appeal before the European Ombudsman. The discussion highlighted a number of areas in which the EIB CO shall continue to deliver according to expectations as regards inspection/inquiries into project impacts, outreach and information to project affected communities, publication of detailed information on complaints and cooperation with similar mechanisms in place at other IFIs. In addition, the participants took the opportunity to ask questions on how to best write a complaint as well as on the resources and budget of the EIB CO. The upcoming public consultation regarding the Complaints Mechanism Policy was discussed and the EIB CO invited all the participants to constructively engage in such exercise.

## **6. Mid-term work plan**

### **6.1. Public consultation**

Part of the EIB CMP approval, and in particular of the signature of the Memorandum of Understanding between the EIB and the EO, was the commitment by the Bank to launch a public consultation on the Complaints Mechanism in 2009. This public consultation will be done together with the Transparency Policy and the Public Disclosure Policy. The intended date to announce the public consultation on all three policies is foreseen for end of April/beginning of May 2009. Final CA approval is scheduled for December 2009.

### **6.2. Awareness programme**

As part of the ongoing awareness raising of the existence of the EIB CMP a page “How to Lodge a Complaint” was created on then EIB website in all official EU languages. It contains links to the policy documents which are available in 3 languages and includes an online complaint form, also in all official EU languages, which could facilitate potential complaints in lodging their complaint. The CO prepared a flyer with the overview of the EIB CMP including a paper complaint form in 4 languages. The intention is to distribute this flyer to EIB offices and to make it available to operational staff appraising projects and to other staff dealing with external stakeholders.

In the context of an increased cooperation with peer accountability mechanisms such as those of the other IFIs, and in order to ensure outreach to the people that can be affected by projects financed by the Bank, the CO will participate in local workshops and conferences on accountability mechanisms in areas of EIB lending activities.

As part of this awareness programme, the CO will also participate in CSO workshops and special gatherings organised by the Bank's Civil Society Unit.