



EUROPEAN INVESTMENT BANK (EIB)

BACKGROUND

The EIB was created by the Treaty of Rome in 1958 as the long-term lending bank of the European Union. The EIB raises funds on the capital markets, which it then lends on concessionary terms to projects that promote EU policy goals. The majority of loans (86.6%) are allocated to projects within EU countries. Out of the loans provided within the EU, 54.5% are allocated to energy and infrastructure projects, and 24.7% are provided for industry, services, health, education and agriculture projects.

ORGANISATIONAL STRUCTURE

The governing body of the EIB is the Board of Governors, which is comprised of one representative for each of the 27 EU member states, generally the Finance Minister or equivalent. The Board of Governors elects the members of the Board of Directors who are nominated by the Member Countries for a renewable five year term. The Board of Directors also includes representatives of all 27 states, plus an additional seat for a representative of the European Commission, and makes decisions regarding loans, guarantees and borrowings.

Headquarters: Luxembourg

Countries of operation: global with a focus on EU member countries

Net profit: €1,63 billion (2007)

Employees: 1,453 (as of 12/2007)

Website: www.eib.org

Accountability Initiatives signed up to:

- Extractive Industries Transparency Initiative

ACCOUNTABILITY SUMMARY

TRANSPARENCY

The *Public Disclosure Policy* provides an overview of the EIB's transparency commitments. The *Transparency - Report and Proposals and Access to Environmental Information* documents also provide information disclosure guidance. The EIB commits to respond to all reasonable information requests within 15 working days. However, there is no narrowly defined set of conditions for non-disclosure. The European Ombudsman handles appeals against non-disclosure of information, although this mechanism and who may access it is not made explicit in the *Public Disclosure Policy*.

The Heads of the Corporate Responsibility Policies Division and the Communications Department oversee compliance with the *Transparency - Report and Proposals* and *Access to Environmental Information* documents while the Director of Communication of the Civil Society Unit oversees compliance with the *Public Disclosure Policy*. The EIB has an Information Desk which handles information requests from the public, and all staff on the desk are trained on information handling and dissemination. The *Public Disclosure Policy* is translated into all EU languages and is widely disseminated via the website, at EIB meetings with external stakeholders, at regular civil society workshops, and through brochures. The *Access to environmental information* and *Transparency Policy* are available in English, French, German and Dutch only.

2008 GLOBAL ACCOUNTABILITY REPORT RATINGS			
Dimension	Score	IGO Rank	2008 Rank
Transparency	76%	1=	1=
Participation: External Stakeholder Engagement	41%	9	24
Participation: Member Control	70%	7	26
Evaluation	76%	6	14=
Complaints & Response: Internal	79%	5=	8=
Complaints & Response: External	32%	6	14=
Overall	66%	4	9=

= denotes tied ranking

PARTICIPATION – EXTERNAL STAKEHOLDER ENGAGEMENT

At the institutional level, the *Annual Report* commits to engage with civil society, and similar commitments are also made in the *Public Disclosure Policy*. The Bank also organises twice annual workshops for NGOs, and in February of each year an Annual Briefing is held in Brussels for NGOs. At the operational level, the EIB does not engage directly with stakeholders who are impacted by EIB-financed projects. However, the *EIB Statement of Environmental and Social Principles and Standards* stipulates that the loan approval process requires consideration of stakeholder concerns. Aside from general commitments to stakeholder engagement at both the institutional and operational levels, there are no specific policy documents to guide when and how stakeholders should be engaged.

The Director of Communication is responsible for monitoring implementation of external stakeholder engagement commitments and one of the Vice Presidents of the Management Committee has overall responsibility for engagement with external stakeholders. The Civil Society Engagement Unit facilitates communication with NGOs and members of the public. Staff are trained on engaging with civil society groups through in-house training programmes with NGOs. At the senior management and governing levels, consultations are held with external stakeholders on an ad hoc basis.

PARTICIPATION – MEMBER CONTROL

The Board of Governors is made up of one representative from each of the 27 EU member states, and is responsible for electing the Board of Directors as well as the Audit and Management Committees. Although all members of the governing body are able to add items to the agenda and no single member can block changes to the governing articles, voting power is proportionate to the financial contributions made by member states and single members may have up to two votes each. This voting system does not conform with good practice principles in equitable member control.

EVALUATION

The *Operations Evaluation Procedures Manual* and *Operations Evaluation Terms of Reference* guide EIB evaluation processes at the operational level. Although there are no guidelines for institutional commitment to engaging external stakeholders in the evaluation process, the EIB does commit to using the results of evaluation to guide future decision making and to transparency in evaluation outcomes, key good practice principles in evaluation.

The Inspector General is responsible for overseeing compliance with the evaluation policies and all staff working in operations evaluation receive training. However, the *Operations Evaluation Procedures Manual* is not widely disseminated to external stakeholders or translated into languages other than English. Lessons learnt through evaluation are shared within the EIB through the intranet site.

COMPLAINTS AND RESPONSE – INTERNAL AND EXTERNAL COMPLAINTS

The *Staff Regulations* and *Staff Code of Conduct* provide guidance about professional and ethical obligations for staff, and include the procedures for making complaints. The *Procedures for the Conduct of Investigations by the Inspector General of the EIB* and the *EIB Guidelines on Fighting Corruption, Fraud, Money Laundering and the Financing of Terrorism* also provide guidance about making complaints regarding these specific concerns. Commitments are made to maintaining the confidentiality of complainants and to guaranteeing non-retaliation against external stakeholders. However no commitment is made to reversing all negative consequences suffered by victims of proven retaliation, or to disciplining anyone found to have retaliated against a complainant, all key good practice principles in whistleblower policies.

The *EIB Complaints Mechanism Policy (CMP)* guides external complaints procedures. The CMP commits to several key good practice principles including maintaining the confidentiality of complainants and providing an independent appeals mechanism through the European Ombudsman (EO). However, the EO can only examine complaints regarding EIB administration and breaches of law, and thus excludes complaints about EIB policies. A Memorandum of Understanding between the EIB and the EO also commits the EO to accepting appeals from non-EU citizens. In addition, like other Multilateral Development Banks, the EIB provides no protections against retaliation for external complainants.

Compliance with the Staff Regulations policy is overseen by the President of the EIB while compliance with the *Staff Code of Conduct* is overseen by the Office of the Compliance Officer. Training for handling internal complaints from staff is provided through the Office of the Group Chief Compliance Officer. Staff are made aware of internal complaints policy by the dissemination of fliers and brochures about the *Staff Regulation* and the *Staff Code of Conduct*, but these documents are not publicly disseminated. Responsibility for compliance with the *CMP* rests with the EIB Secretary General, the Director General of the Strategy and Corporate Centre. The Vice President is responsible for relations with the European Ombudsman. In-house training is provided for staff responsible for handling complaints from external sources, and training is available at universities such as the Academy of European Law. The *CMP* is only disseminated in English via the EIB website.

ONGOING ACCOUNTABILITY REFORMS

The *Public Disclosure Policy* will be revised in 2009. The EIB is currently drafting guidelines on the external stakeholder engagement, developing a Civil Society web page, and reviewing existing whistleblower protection provisions.

PERFORMANCE SNAPSHOT

The EIB's transparency capabilities exceed all sector averages, as it has a policy and has successfully incorporated good practice principles in its response to requests for information. However, the EIB is particularly weak in participation due to poor external stakeholder engagement and inequitable member control. The EIB's performance is just above the IGO sector average in evaluation and considerably higher in complaints and response handling. The latter score is largely due to the EIB's robust internal complaints handling procedures. Thus the EIB ranks fourth within the IGO sector and ninth overall.

