



# COUNTER BALANCE ACTIVITY REPORT 2022

**Counter Balance was founded in 2007 to challenge the European Investment Bank (EIB) and campaign for its reform. While the EIB remains our main institutional target, we have expanded our scope of work to include EU investment plans and other European institutions deciding or influencing on European public finance.**

## OUR MISSION

To mobilise European public finance in facilitating a just transformation into socially and environmentally equitable and sustainable societies, where the economy works for humans and non-humans alike rather than just the rich.

# OUR MEMBERS

>> Both ENDS  
**The Netherlands**

>> CEE Bankwatch Network  
**Central & Eastern Europe**

>> ODG  
**Spain**

>> ReCommon  
**Italy**

>> urgewald  
**Germany**

>> Bretton Woods Project  
**United Kingdom**

>> Les Amis de la Terre  
**France**

>> Platform London  
**United Kingdom**

>> The Corner House  
**United Kingdom**



Counter Balance is an independent European non-profit and membership-based organisation. It is legally represented by its Board, which is elected by the General Assembly, and by its Director upon delegation by the Board.

# WHAT WE DO



**Frank Vanaerschot**  
Counter Balance  
Director



*Counter Balance and its members all over Europe unite to reclaim the EU's public investments as an influential lever to bring about positive social change. As climate and social crises intensify, our work critiquing the EIB and large EU investment programs will become even more crucial. Even if today this money is often used to subsidise corporate profits, we build coalitions and campaign so tomorrow it can fund a society which provides a decent life for everyone – including affordable renewable energy, housing and healthcare.*



We research what European public finance institutions are doing and the investments they make which negatively impact people, society and the environment.



We advocate towards decision makers within the EIB, European institutions and EU member states to push for accountable, democratic and sustainable public banks.



We inform the public and open up debates on the role of EU public finance in the transition towards more sustainable and equitable societies.



A photograph of a crowd of people gathered outdoors, likely at a protest or demonstration. A large, thick plume of bright pink smoke rises from the ground, partially obscuring the people in the background. In the foreground, a person is holding a long, cylindrical object, possibly a flare or a smoke bomb, which is the source of the pink smoke. The background shows a modern building with large glass windows. The image is overlaid with a large, diagonal, semi-transparent yellow and orange graphic element. The text "HIGHLIGHTS 2022" is prominently displayed in the center of the image.

# HIGHLIGHTS 2022

Counter Balance continued its mission of pushing for accountable, democratic and sustainable public finance in 2022.

## **MAKING PUBLIC FINANCE WORK FOR PEOPLE AND PLANET**



As the world reeled from runaway inflation and Russia's invasion of Ukraine prompted huge new energy infrastructure investments in the EU, Counter Balance continued to hold the EIB to account on its climate and human rights commitments.

Counter Balance campaigned for the EIB not to roll back its refusal to finance fossil fuel infrastructure after the invasion and raised the alarm when the bank loosened climate criteria for investments under the REPowerEU energy investment programme.

We coordinated both civil society's response to the bank's new Environmental and Social Sustainability Framework and the Fossil Free EIB coalition's work on the EIB's new transport policy.

Counter Balance scrutinised the EIB's Covid-19 pandemic response, the European Guarantee Fund, revealing it to be so secretive that judging whether the fund even helped the European economy was impossible.

A woman wearing a white t-shirt, blue shorts, and a patterned cap is riding a white bicycle with a wicker basket on the handlebars. She is riding through a lush green field with rows of crops. In the background, a line of wind turbines stretches across the horizon under a clear blue sky.

## KEEPING THE EIB ON THE RIGHT CLIMATE PATH

Counter Balance led civil society opposition against the EIB's decision to loosen its PATH climate criteria, which companies had to meet to receive financing for renewables, energy efficiency, 'low-carbon' hydrogen and other energy projects.

With the Fossil Free EIB coalition, we developed a position paper explaining how this decision reopened the door for fossil fuel companies who do not have Paris-aligned decarbonisation plans to receive financial support from the EIB.

Counter Balance also called out the EIB's new transport policy for its continued support for polluting highways, despite acknowledging the damage done to the climate by automobile traffic. The bank risks financing roads and highways which could become 'stranded assets' – investments which lose their value or usefulness as societies change their behaviour to fight the climate crisis.

## EUROPEAN INSTITUTIONS ROUND ON THE EIB



Counter Balance played a key role in spurring European institutions to call out the EIB's carelessness in investing in new motorways, demanded the bank improve its human rights record and reprimanded the EIB for its lack of transparency when financing environmental projects.

MEPs in the European Parliament called on the EIB to reconsider investing in motorways due to the risk of them becoming stranded assets. The Parliament also slammed the bank's refusal to withdraw funding from projects which threaten to violate the human rights of communities affected by them.

The European Ombudsman also reprimanded the EIB for refusing to disclose information about the environmental impacts of projects it finances. The Ombudsman called on the bank to be more ambitious in disclosing information which would help verify that EIB-financed projects were following environmental law.



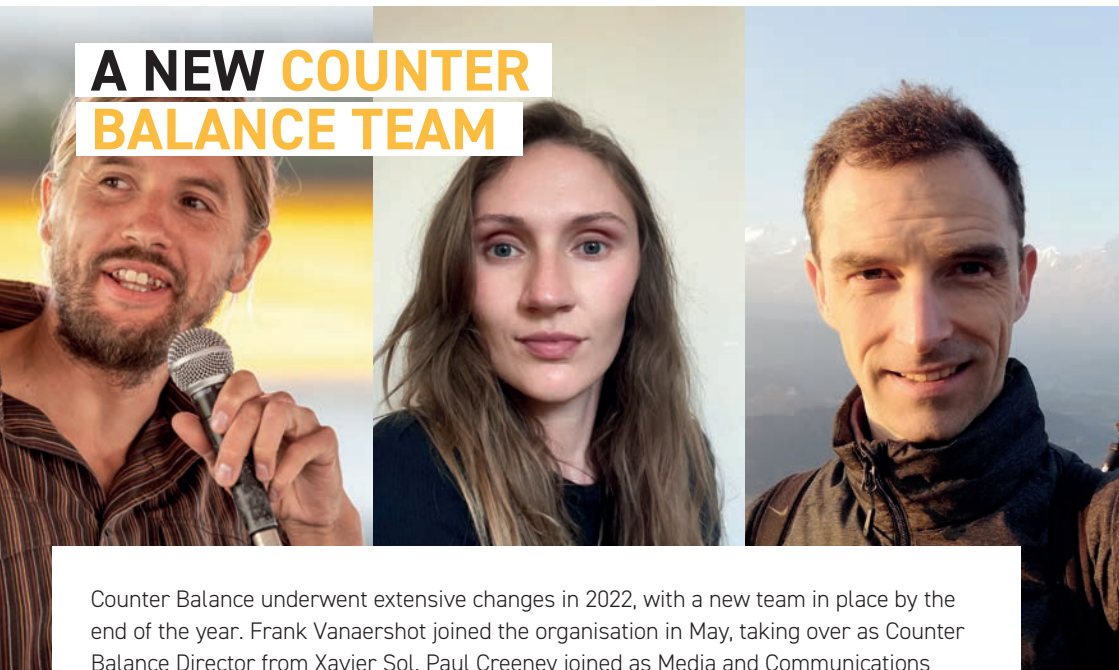
A young girl with dark hair tied in a bun, wearing a bright yellow shirt, is focused on drawing at a desk. She is holding a black pencil and has just finished drawing a yellow shape on a piece of paper. In the background, other children and classroom furniture are visible but out of focus.

## **PUBLIC FINANCE** **WHICH PUTS THE** **GLOBAL SOUTH FIRST**

Counter Balance has worked to hold both the European Commission and the EIB to account on infrastructure financing outside the EU. Together with allied organisation Eurodad, we have critiqued the Commission's flagship global investment plan – the EU Global Gateway – to expose how this flawed strategy is more about 'de-risking' private investments and prioritising European economic interests overseas rather than offering long-term sustainable development.

The EIB also launched its new 'EIB Global' international development branch in 2022. Counter Balance helped to produce recommendations on how the branch could enable the EIB to become a true development bank, while breaking its cycle of financing projects which spark human rights abuses against communities affected by them.

## A NEW COUNTER BALANCE TEAM



Counter Balance underwent extensive changes in 2022, with a new team in place by the end of the year. Frank Vanaershot joined the organisation in May, taking over as Counter Balance Director from Xavier Sol. Paul Creeney joined as Media and Communications Officer in January and Alexandra Gerasimčiková joined in December as Policy and Advocacy Officer.

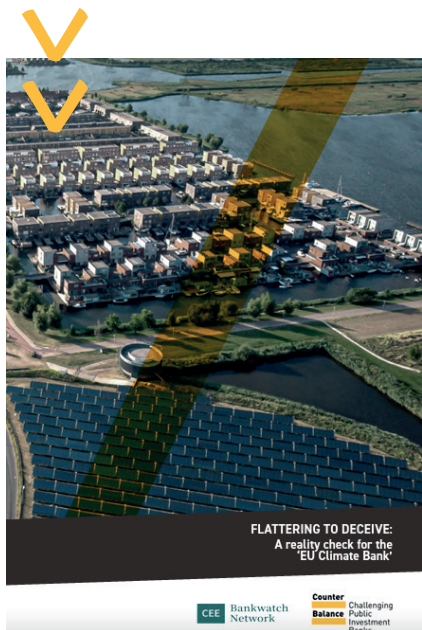
Frank brings with him a decade of experience researching, campaigning and advocating for economic justice and joined Counter Balance from Belgian organisation FairFin. Alexandra joined Counter Balance from ACT Alliance EU, where she advocated at EU level for the ending of Israel's occupation of Palestine, and Paul has previously worked in communications for organisations campaigning for economic justice, human rights and an effective circular economy.

We would like to thank former director Xavier for playing a crucial role in our development over the course of the past decade, and for using his determination and expertise to empower the organisation in holding European public finance to account.

# OUR FLAGSHIP REPORTS

JUNE

## FLATTERING TO DECEIVE: A REALITY CHECK FOR THE 'EU CLIMATE BANK'



FLATTERING TO DECEIVE:  
A reality check for the  
'EU Climate Bank'

CEE Bankwatch  
Network

Counter  
Balance Challenging  
Public  
Investment  
Banks

The EIB likes to talk up its climate credentials by calling itself the 'EU Climate Bank'. Counter Balance and CEE Bankwatch Network burst this bubble in 2022 with the launch of our report, [\*Flattering to Deceive: A reality check for the 'EU Climate Bank'\*](#).

Our research showed that while the EIB may have ceased financing most fossil fuel infrastructure projects, the bank still pumped at least €7.4 billion in financing to some of Europe's fossil energy giants in 2020 and 2021 – including €2 billion in loans to companies still burning coal.



# BRIEFINGS



## JANUARY

# THE EUROPEAN GUARANTEE FUND: THE UNKNOWN TOOL OF THE EU ECONOMIC RECOVERY PACKAGE



**Counter  
Balance** Challenging  
Public  
Investment  
Banks

The European Guarantee Fund (EGF) is the main instrument which the EIB implemented in response to the Covid-19 pandemic. The fund is made of €25 billion coming from European governments, with the aim of mobilising €200 billion from the private sector to support the European economy.

Counter Balance's briefing, [\*'The European Guarantee Fund: The unknown tool of the European economic recovery package'\*](#), looked at the state of play more than a year after the EGF's creation. It revealed that an utter lack of transparency around the fund has made it impossible to assess whether the EGF will actually benefit the European economy, or instead provide blank cheques to big banks and investment funds.

APRIL

# A MISSED OPPORTUNITY FOR DUE DILIGENCE AT THE EU BANK: AN ANALYSIS OF THE EUROPEAN INVESTMENT BANK'S ENVIRONMENTAL AND SOCIAL SUSTAINABILITY FRAMEWORK



Counter  
Balance  
Challenging  
Public  
Investment  
Banks

In February 2022, the EIB adopted changes to its safeguarding policies. The new Environmental and Social Sustainability Framework (ESSF) now defines the bank's entire environmental and social policy.

Counter Balance's briefing, [\*A Missed Opportunity for Due Diligence at the EU Bank: An analysis of the European Investment Bank's environmental and social sustainability framework\*](#), assessed the ESSF's environmental, development, human rights and transparency policies. We found that the new ESSF failed to increase human rights promotion and protection, failed to lift the secrecy around EIB loans to commercial banks and applied double standards on biodiversity protection – offering increased protection for investments in Europe which may not be applied outside the bloc.

## PODCAST

### EU WATCHDOG RADIO



The EU Watchdog Radio podcast, now three years old and produced with Corporate Europe Observatory, released 11 episodes in 2022 – taking the total number to 40. The podcast covered a vast array of topics, including exposing flaws around the EIB's response to Covid-19, concerns about the EU Global Gateway development strategy and the Ukraine war.

## IN THE MEDIA

# 36

Articles in different media including:

The Financial Times  
Politico Europe  
EurActiv  
euobserver  
The Brussels Times  
ENDS Europe



# 5

blog posts



# 8

press releases



# 3

opinion pieces



# PRIORITIES FOR 2023

## CLIMATE JUSTICE

Counter Balance will work with a Europe-wide coalition to campaign for EU recovery funds made available to countries in response to the Covid-19 pandemic to include the participation of citizens and contribute to a green and just transition. The coalition will survey European citizens for their opinions on how recovery funds are spent, host webinars with policymakers, organise a policy round table and release reports detailing our findings and conclusions.

The EIB will also review its energy lending policy and climate roadmap in 2023. Counter Balance will work to ensure the bank does not backtrack on any other elements of the roadmap in the same way it did with the PATH framework in 2022.



## HUMAN RIGHTS AND INTERNATIONAL DEVELOPMENT

The fight to ensure European public finance respects human rights and facilitates truly equitable international development will continue in 2023. Counter Balance will campaign for the EU Global Gateway – the European Commission’s international investment strategy partly implemented by the EIB – to truly benefit communities in the Global South, rather than be used to funnel development funds to the private sector or as geopolitical leverage.

Counter Balance will also coordinate work with other human rights organisations to influence EIB Global – the EIB’s new development branch. This will involve calling the bank out when it finances projects associated with human rights violations and placing the needs of people living where the bank is investing first.





## **TRANSPARENCY AND ACCOUNTABILITY**

Counter Balance will continue to work with the European Ombudsman to force the EIB to increase transparency around the projects it finances in 2023. We will monitor an ongoing court case against the EIB and European Commission on unlawful financing decisions. The case is currently at the appeal stage with a final verdict expected this year.

Counter Balance will also work on specific cases of corruption within EIB-financed projects, exposing how the bank's anti-fraud and corruption rules are not fit for purpose.

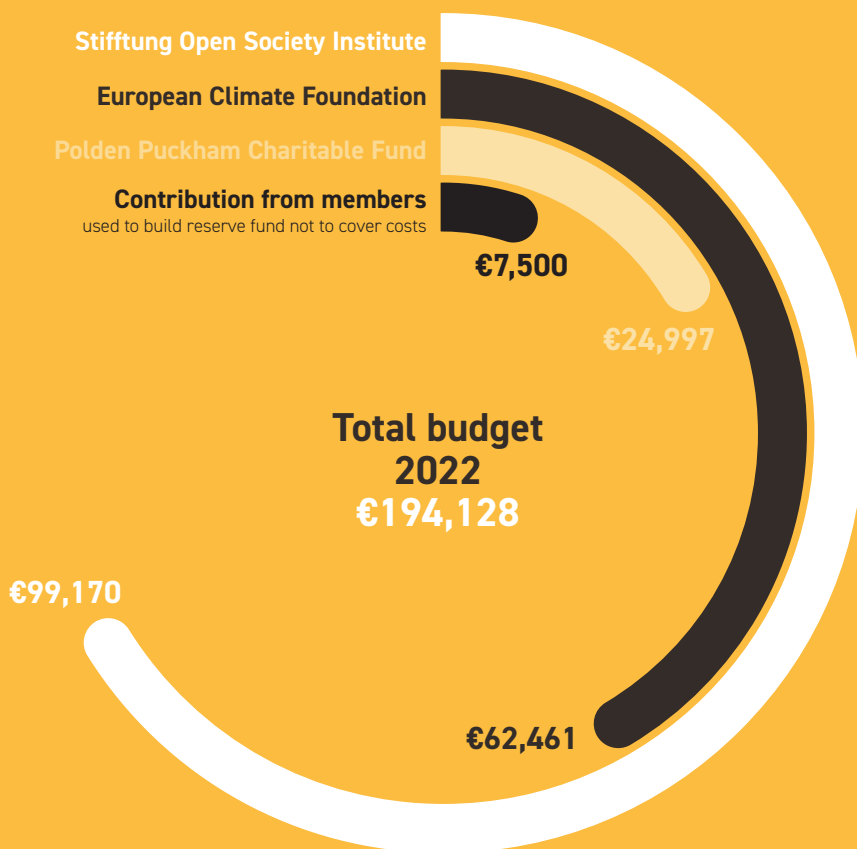


## CONSOLIDATING OUR PUBLIC FINANCE WATCHDOG NETWORK

- >> 9 active members across Europe.
- >> A core focus is deepening and expanding alliances with NGOs and grassroots movements in Europe and the Global South, for example through sharing expertise.
- >> Our well-recognised coalition will be reinforced by building a stronger media presence and giving presentations during official events.

# FINANCES 2022

We would like to thank all of our donors for making our work possible.



## TRANSPARENCY INDEX NUMBER

**0 2 9 0 2 9 5 5 0 2 3 - 0 4**

In line with our demands for increasing transparency for European public banks, Counter Balance fully supports efforts undertaken at EU level to enhance the openness of organisations engaging in European affairs, including NGOs.

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**Counter Balance**

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**Design:** [www.dougdawson.co.uk](http://www.dougdawson.co.uk)



