

EIB Board of Directors

European Investment Bank  
Boulevard Konrad Adenauer 100  
Luxembourg

*JOINT CIVIL SOCIETY LETTER*

## **RAISING THE BAR ON HUMAN RIGHTS AT THE EUROPEAN INVESTMENT BANK**

Dear EIB Directors,

we are taking the opportunity of the annual policy dialogue with Civil Society Organizations to request you to ensure the integration and prioritisation of human rights considerations in all European Investment Bank (EIB) operations.

The planned revision of the EIB Environmental and Social Standards brings a great opportunity for the Bank to improve the sustainability of its operations. In your capacity as Directors and representatives of EIB shareholders, you are in a position to require from the Bank's Management to enact necessary reforms to guarantee that both proper human rights due diligence is undertaken at the project level and a broader strategy for human rights promotion is put in place at the EIB.

As a key player in the European development finance architecture, the Bank should be crystal clear in its legal obligations, in support of the universal values underpinning the EU external action under the EU Treaties, as well as member states' international human rights commitments.

Unfortunately too often, the EIB has been financing projects that have contributed to human rights abuses, has failed to react to assaults on local communities and human rights defenders, and has ignored the voices and concerns of impacted people. We have documented and shared with your services over the last years the existence of a wide gap between the EIB standards and their implementation on the ground (see for instance the new report [“Can the EIB become the EU development bank?”](#) and recent case studies in [Nepal](#) and [Georgia](#)).

A few concrete figures put the human rights failures of the EIB in the spotlight. Since 2015, no standalone human rights impact assessments have been required by the EIB to be carried out by promoters. Meanwhile, the EIB keeps providing support to projects that can be associated with human rights violations. Only a brief screening of the list of projects outside the EU that the EIB signed in 2019 reveals projects located in countries such as Laos<sup>1</sup> and China<sup>2</sup> which are not free countries according to the Freedom House methodology<sup>3</sup>, or in Ukraine<sup>4</sup> which is only considered partly free.

<sup>1</sup> See: <https://www.eib.org/en/projects/pipelines/all/20190324>

<sup>2</sup> See: <https://www.eib.org/en/projects/pipelines/all/20170730>

<sup>3</sup> “Freedom in the World 2020, A Leaderless struggle for Democracy”, March 2020 [https://freedomhouse.org/sites/default/files/2020-02/FIW\\_2020\\_REPORT\\_BOOKLET\\_Final.pdf](https://freedomhouse.org/sites/default/files/2020-02/FIW_2020_REPORT_BOOKLET_Final.pdf)




<sup>4</sup> See: <https://www.eib.org/en/projects/pipelines/all/20160881>

The nature of certain EIB projects should also require a closer look in terms of their potential human rights impact. This includes the construction of metro lines in India<sup>5</sup> through the acquisition of about 44 hectares of land and permanent involuntary resettlement, and the construction of solar plants in Senegal<sup>6</sup> that will cause the economic displacement of almost 800 farmers or nomads. By not requiring proper due diligence from the promoters, the EIB implies that the quality of its projects did not make it necessary and that human rights considerations are already well embedded in its environmental and social due diligence process. This is particularly unsettling considering that at the same time more than 500 complaints have been submitted to the Bank regarding human rights abuses for only a single project in Kenya<sup>7</sup>. Given that the EIB provides financing in challenging human rights contexts, the EIB should be expected to scrutinise these parts of its portfolio carefully. In 2018, the Complaints Mechanism registered 108 new complaints, and 84 in 2019 (69% of them related to projects outside of the EU). At the beginning of 2020, 78% of open cases concerned the environmental, social and developmental impacts of EIB operations.

The EIB does not have a clear enough policy statement, an overarching human rights strategy or adequate systems at the project level. The existing social safeguards neither sufficiently prevent intimidation, threats and forced evictions nor protect the existence and well being of the most vulnerable project stakeholders.

Hence, we take this opportunity to share with you our key recommendations in light of the upcoming review of the EIB environmental and social standards:

## **1 DEVELOP A SOLID THREE PILLAR HUMAN RIGHTS FRAMEWORK**

-  **A strong Statement on Environmental, Social and Human Rights Principles and Standards** (replacing the existing Statement on Environmental and Social Principles and Standards).
-  **A new Human Rights Strategy.** This overarching strategy should integrate specific policies on human rights defenders (see demand 3 below) and explain how human rights specific risks and impacts are considered, prevented and mitigated at all stages of the project cycle, and describe how the Bank will promote a human rights-based approach among its stakeholders, clients and counterparts. The strategy should foresee extra staff resources and expertise on Human Rights. It should duly take into account the EIB Gender Strategy.
-  **A sound system of human rights due diligence at project level all through the project cycle,** via dedicated ex-ante screening and Human Rights risk assessment conducted by the bank, and with participatory Human Rights impact assessment to be required from the client when risks are identified. This sound system commands in addition continuous monitoring of the situation on the ground in order to ensure that projects respect the core principles and norms that have to shape the EU external action including by ensuring that the EU activities do not directly or indirectly contribute to Human Rights violations. This due diligence system should be integrated into a new Standard on human rights due diligence.

<sup>5</sup> See: <https://www.eib.org/en/projects/pipelines/all/20160327>

<sup>6</sup> See: <https://www.eib.org/en/projects/pipelines/all/20170458>

<sup>7</sup> The project in question is: <https://www.eib.org/en/projects/pipelines/all/20140546>. Complaints were grouped and the information about the exact number of complainants is not published, what is an additional transparency issue. Nevertheless, CEE Bankwatch Network obtained the confirmation from the EIB CM that only under the case [SG/E/2018/44](https://www.eib.org/en/projects/pipelines/all/20180444) there are more 250 complaints. There has also been a mediation conducted covering another 316 complainants.

## 2 ENHANCE STAKEHOLDER ENGAGEMENT & PUBLIC PARTICIPATION

- The EIB must enhance participation and ensure that **local communities and people affected by its operations are meaningfully consulted at the project level. The EIB must also ensure that local communities are fully informed about the project, their rights and procedures** and have knowledge about and access to an **effective and independent complaints mechanism** (an independent project grievance mechanism, a reinforced EIB Complaints Mechanism and access to the European Ombudsman), including the right to effective redress. Consultation processes need to be gender-sensitive.
- The right to **free, prior and informed consent** (FPIC) should be implemented in a transparent and systematic manner, documented publicly in project documentation, and extended to all affected communities in cases of land and natural resource-based investments, in line with the most progressive practices.
- The EIB should review and reinforce its criteria for assessing the applicability of its **indigenous people's** standard. The basis for deciding whether to apply the indigenous peoples' standard should be made publicly available with project documentation so that self-identifying indigenous communities can understand (and if necessary, dispute) how they are characterized by EIB clients. Bearing in mind that as per ILO 169, self-identification as indigenous or tribal shall be regarded as a fundamental criterion for determining the groups to which the provisions of this Convention apply.

## 3 PROTECT HUMAN RIGHTS DEFENDERS

- The EIB should **develop specific policies on human rights defenders and protocols to prevent and respond to risks of reprisals.** The bank itself should undertake robust contextual and project-related due diligence to prevent, identify and mitigate human rights impacts and threats to defenders. This should involve consultation with human rights defenders during the bank's human rights risk assessment. The EIB should publicly acknowledge the legitimacy of human rights defenders and the work they carry out.
- The EIB should **respond in a timely and effective manner** (including publicly where appropriate) to **any threats or attacks** carried out in reprisal, in consultation with the defender/s at risk, to prevent future attacks, and ensure the accountability of those at fault. This also includes potential sanctions, withholding of disbursements or cancellation of contracts and disqualification of parties identified as responsible for the reprisals from entering into a contractual relationship with the EIB in the future.

During this time of crisis, and considering the central role that the EIB will play in the economic recovery plans and the European Green Deal in the EU and beyond, we call on you to take concrete steps to support and respect human rights and contribute to social and environmental justice for all.

We thank you very much for considering these issues as a matter of urgency.

Yours sincerely,

*SIGNATORIES*



A 11 - Initiative for Economic and Social Rights



Action Aid International



Arab Watch Coalition



Cairo Institute for Human Rights Studies



CEE Bankwatch Network



Counter Balance



Ecoclub



Ecolur



European network on debt and development

Eurodad



FIDH - International Federation for Human Rights



Green Armenia Environmental Education



International Partnership for Human Rights



Polish Green Network



Re:Common



Recourse



Urgewald



Accountability Counsel