

To:
EIB Board of Governors
EIB Board of Directors
European Investment Bank
Boulevard Konrad Adenauer 100
Luxembourg

JOINT LETTER

26 June 2024

Military support to Israel from the EIB

Dear members of the EIB's Board of Governors,
Dear members of the EIB's Board of Directors,

We are writing to you in response to the adopted Strategic Roadmap 2024-2027, and more specifically to raise our concerns regarding the expansion of the EIB's financing for the defence industry.

As noted in the [previous letter](#) of 17 civil society organisations and labour unions to you ahead of the Roadmap's adoption, we regret that the EIB's new strategy was devised without any public consultations of civil society, labour unions or parliaments. At a time of many pressing global challenges ranging from climate breakdown, to cost of living crisis and to public sector underinvestment, strategic finance of the EU's main public bank is of paramount importance – and must be decided democratically.

The Bank's path to increase lending capacity and risk taking could bring a much needed investment for projects beneficial to the society and a just transition. But using an increased lending capacity to support geopolitical competition, private sector profits, a Capital Markets Union, and the military industry in the EU is bound to fail as a transformative financing agenda.

Investments in ammunition, weapons and military equipment depart far from the Bank's public mandate to support EU's objectives such as combating climate change, fostering cohesion, or supporting economic development.




The latest [research](#) by Pax and Profundo reveals that the EIB has given loans to two companies that are delivering weapons to Israel – Leonardo and Rolls-Royce. As one of the top 20 financiers of these companies, the EIB provided at least EUR 1.23 bn of loans to these companies. This includes loans for Leonardo's Research, Development and Innovation (RDI) programme for helicopters. The company also sells weapons to Israel. Moreover, the EIB has provided finance to BNP Paribas, a bank which has invested more than EUR 5 bn in companies that supply military equipment to Israel, including bombs and missiles. BNP Paribas is also the only European bank that continues to provide loans to Elbit Systems, which delivers drones, munition and hand grenades to the Israeli army.

We regret that instead of reviewing its lending policy to align with international law as Israel's war on Gaza killed over 37.000 people, the EIB decided to expand its military lending and change the definition of its dual-use requirement, allowing projects to generate the majority of expected revenues from military use.

This is particularly alarming as the International Court of Justice recently put all states on notice of a plausible case of genocide being committed in Gaza. In this light, countries such as Spain, Belgium, or Italy took steps to stop arms exports and licences for weapons to Israel. In the Netherlands, the Dutch Court ordered the government to stop supplying F-35 fighter jet parts to Israel due to the clear risk of serious violations of international humanitarian law.

[UN experts](#) recently demanded that arms manufacturers supplying arms, munitions and other equipment to Israel should end their transfers, and include BAE Systems, Boeing, Caterpillar, General Dynamics, Lockheed Martin, Northrop Grumman, Oshkosh, Rheinmetall AG, Rolls-Royce Power Systems, RTX, and ThyssenKrupp. The UN experts highlighted the accountability of the financial institutions investing in these arms companies, and stressed that *'failure to prevent or mitigate their business relationships with these arms manufacturers transferring arms to Israel could move from being directly linked to human rights abuses to contributing to them, with repercussions for complicity in potential atrocity crimes.'*

The international community has a crucial role to play in the enforcement of the ICJ's orders. Here too the EIB, the EU's Bank with Member States being its shareholders, must play its part. With this joint letter, we firmly urge the EIB to:

-  **Immediately review its financing portfolio to Israel** and ensure its operations do not make the Bank complicit in acts of genocide and violations of international law. To this end, the EIB must stop lending to companies that sell military equipment to Israel.
-  **Reassess its lending to Israel.** It must ensure its operations are aligned with international law, and exclude all projects which support illegal Israeli settlements and contribute to sustaining occupation of the Palestinian territory (such as support to Israeli banks or the EuroAsia Interconnector).
-  **Reverse the expansion of the Bank's lending mandate for the defence industry.** The EIB's lending must be used to support strictly environmentally and socially beneficial projects that strive to address public needs and development objectives.

As signatories of this letter, we again stress the urgent need for the EIB to align with and promote international law, reflecting its public mandate at the core of its operations, and steer our economies towards a fair, equitable, sustainable and peaceful path.

Yours sincerely,

FairFin - Counter Balance - 350.org - Stop Wapenhandel - Vrede vzw - Vredesactie - ReCommon-MenaFem Movement for Economic, Development And Ecological Justice - Corner House - SOLIDAR - Campaign Against Arms Trade - European Network Against Arms Trade - Accountability Counsel - Stop Fuelling War, Cessez d'alimenter la guerre - International Media Support - Corporate Europe Observatory - Swedish Peace and Arbitration Society - Observatoire des armements - Observatori del Deute en la Globalització - Association France Palestine Solidarité - 11.11.11 - CEE Bankwatch Network

SIGNATORIES



**Counter
Balance** Challenging
Public
Investment
Banks



**CAMPAIGN
AGAINST
ARMS
TRADE**



**Stop
Wapenhandel**

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ENAAT
european network against arms trade

[VREDESACTIE]

accountability
counsel

THE
CORNER
HOUSE

solidar



Corporate
Europe
Observatory

CEE

Bankwatch
Network

IMS
GOOD JOURNALISM | BETTER SOCIETIES



ODG
OBSERVATORI DEL DEUTE
EN LA GLOBALITZACIÓ

Association
France
Palestine
Solidarité



**STOP FUELLING
WAR**
Cessez d'alimenter la guerre

**Observatoire
des armements**

