

The EU's watchdog is investigating the EIB for maladministration after three NGOs submitted a complaint this week.

European Union Ombudsman Emily O'Reilly sent a formal letter opening the case on 27 February after ClientEarth, CEE Bankwatch Network and Counter Balance highlighted the bank's lack of transparency and its attempts to block scrutiny.

She said she would investigate the case and ask the European Investment Bank (EIB) to explain its policy and its reaction to the complaint.

The three NGOs said they issued the complaint because the EIB - which invests an estimated €80 billion in projects annually - blocked a challenge to its new transparency policy from the three groups.

The EIB is the EU's nonprofit bank that tends to have a focus on development and climate change investment. The bank is policy-driven and the shareholders are member states. Anna Roggenbuck, policy officer at CEE Bankwatch Network, said the NGO's initial complaint was rejected by the complaints mechanism of the EIB on inadmissibility grounds.

"The Ombudsman decision is a clear signal the claims were admissible. We are glad she will investigate the way the complaint office took its decision a few months after it first confirmed admissibility for the complaint, and whether it was caused by management intervention," Roggenbuck said.

Transparency is important for the bank because it impacts several environmental decisions, the NGOs said.

According to ClientEarth, the decisions range from deciding if dams will be built on vulnerable ecosystems to whether funding will go to renewables or fossil fuels. Because of the billions of euros EIB invests here, ClientEarth said it is key for European taxpayers to know that funds are spent in the public interest.

This isn't the first time that the EIB has found itself in hot water. In 2011, it was accused of funding the fossil fuel industry with €16 billion of loans since 2007.

Now, one of the main concerns with the bank is its transparency policy.

The EIB policy keeps all information about investigations confidential, including those of corruption and fraud.

ClientEarth said it is particularly concerned about the accountability of the bank because it creates illegal exceptions to people's right to scrutinise it.

James Thornton, ClientEarth chief executive, said the complaint mechanism is in place to make sure the bank is accountable for every euro of public money spent.

"If the EIB stops public scrutiny of its actions using its so-called transparency policy - and blocks challenges to that policy - it is failing doubly in its duties," Thornton said.

The Ombudsman said she will ask the EIB to respond to the complaints. If her investigation concludes that the bank is guilty of maladministration, she said she will recommend ways it can improve its transparency.

“We hope [the investigation] will shed light on the culture of secrecy still prevailing at the EIB and on the need for the bank to raise the bar on transparency,” Xavier Sol, director of Counter Balance, said.

*Source: Euractiv*