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EIB: Regression Postponed

Carl Dolan · Wednesday, February 4th, 2015

We have blogged here before on the attempt by the European Investment Bank to roll back on transparency commitments when revising its official transparency policy late last year. The revisions include a number of regressive measures, including a blanket presumption that material from the Bank's internal audits, investigations and compliance due diligence would only be made public as a very last resort – a far cry from the proactive stance on transparency that the EU Ombudsman is urging on the institutions, and a presumption not found in the access to documents policies of any other EU institution.

The revisions would put the EIB in the unenviable position of being the EU body with the most restrictive interpretation of EU access to documents regulations, all at a time when it is taking on a prominent role spending 22 Billion in taxpayer cash as part of the implementation of Jean-Claude Juncker's investment plan.

The new Transparency Policy was slated to be approved by the EIB's Board of Directors yesterday, and the sort-of-good news is that rather than being rubber-stamped as expected, the Board has postponed final approval – hopefully as a result of careful attention to the arguments presented by transparency campaigners at a civil society [consultation event](#) in Luxembourg on Monday.

Transparency International EU attended that event and below is the text of a short “impulse statement” we were asked to give to kick-start the discussion.

“This is the first time I've been asked to give an ‘impulse statement’ and so I hope in what follows I'm not going to say anything too impulsive or rash. It would be odd if I did, since Transparency International has been providing input to EIB policies for over 10 years now, helping the Bank to implement its stated policy of “zero tolerance” for corruption and fraud.

In that time, I think it's fair to say that the Bank has had a mixed record. There is no doubting the good intentions of its management and staff, nor any doubt that the overall trend is progress and improvement – for example in joining the International Aid Transparency Initiative (IATI) in 2013. However, the progress has been somewhat uneven, and in some cases it seems that there is two steps forward, one step back. Two examples will illustrate:

Back in 2010, the EIB hosted a meeting of International Financial Institutions (IFIs) which led to an innovative policy of cross-debarment – a system whereby corrupt companies blacklisted by one institution would automatically be blacklisted by another – only for the EIB to decide at the end of

the day that it could not sign up to such a policy.

Also in 2010, the EIB published a very good transparency policy, only to revise that policy following a storm of controversy over the refusal to publish an internal [investigation into alleged tax evasion](#) by a Glencore subsidiary involved in an EIB-funded project in Zambia. The revisions introduce a restrictive access to documents regime that goes far beyond the provisions of the relevant EU legislation.

This begs the question: why this uneven progress? Why the half-hearted embrace of transparency?

The answer may lie in the view that there is a fundamental trade-off between efficiency and transparency. From this perspective, efficiency boils down to getting the money out the door as quickly as possible, while meeting all the relevant project criteria of course. That is how the performance of the institution and its staff will be ultimately judged.

Transparency, in this view, is an obstacle and a burden on scarce resources. And the pressure on these resources will only escalate with the need to implement the Juncker investment plan in the coming years.

This is a radically misguided view that ignores the fact that over the longer-term robust transparency policies improve the efficiency of *outcomes* – the *quality* and not just the *volume* of the banks lending. It makes it more likely that you fund the right projects and that these projects achieve their objectives, without being undermined by fraud and corruption and waste.

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