

# European Investment Bank's engagement with civil society **2023 highlights**

**The European Investment Bank values its engagement with civil society. We believe that being open improves the quality and sustainability of our policies and of the projects we finance. Being open also increases our accountability to society. To this end, we actively share information and engage in constructive dialogue and partnerships with civil society.**

The European Investment Bank (EIB) engages with its civil society stakeholders in a variety of ways:

- We invite civil society partners to an annual seminar with the EIB's Board of Directors.
- We organise public consultations on our key policies.
- We host events to discuss what we are doing, explore emerging issues and benefit from the feedback and ideas of civil society.
- We respond to requests for information from civil society.
- We partner with civil society on topics of mutual interest.

This document provides highlights of the Bank's engagement with civil society, presenting examples of the work undertaken in 2023.

It is organised into thematic sections:

- Environment and climate change
- Governance
- Social development
- Cross-cutting issues

# Environment and climate change

## Identifying opportunities for investment in fishery sustainability

Overfishing, climate change and pollution continue to harm the fishing sector and have a negative impact on coastal communities and livelihoods. The sector's sustainability challenges are significant, but fishing enterprises are often small. Therefore, financing fishery operations is not always simple for large sustainability-focused financial institutions such as the EIB.

In 2023, **Finance Earth published a report** commissioned by the EIB, identifying ways the Bank can scale up its support for fishery sustainability in Europe. Measures include creating marine protected areas, introducing seafood traceability initiatives and fishing improvement projects, and developing sustainable equipment. Interviews were conducted with experts at the EIB, the European Investment Fund (EIF), the European Commission and nine other organisations, and a workshop was held to present and discuss the report.

To implement the measures, collaboration and investment must increase. The report serves as the basis for ongoing dialogue between the EIB and fishery leaders, technology developers, grant providers, investors, regulators and specialist NGOs, among others, about ways to collaborate to identify financing options that could help large sustainability-focused financial institutions support fisheries on their way to becoming more sustainable.

## Boosting biodiversity and flood resilience by removing obsolete river barriers

The EIB and the **World Fish Migration Foundation** partnered to sponsor the annual **Dam Removal Europe Award**, as part of an effort to remove obsolete barriers on 25 000 km of rivers in Europe, a target of the EU Biodiversity Strategy 2030.

The award is organised by a civil society coalition including the World Fish Migration Foundation, Rewilding Europe, the World Wildlife Fund (WWF), the European Rivers Network, The Nature Conservancy, and Wetlands International. It shines a spotlight on innovative projects by communities, river users, barrier removal specialists and local authorities to remove obsolete dams, with a view to encouraging similar initiatives to restore free-flowing rivers across Europe.

For the 2023 award, 17 barrier removal projects were submitted from seven European countries (two from Spain, one from Germany, one from Lithuania, six from France, five from the United Kingdom, one from Finland and one from Luxembourg). Together, these projects have reconnected nearly 600 km of river. An international jury, which included an EIB expert, shortlisted five projects that successfully removed obsolete barriers. This was followed by a public vote with nearly 4 000 participants. **The winner, a project for the removal of weirs from the Cabrillas River in Spain's Guadalajara province**, was announced on 18 May 2023 at the Dam Removal Europe Conference in Manchester and was presented with a cash prize of €10 000 from the EIB, to be reinvested in scaling up the removal of obsolete barriers.

Collaborating with civil society on removing river barriers has enabled the EIB to develop awareness internally and externally about the adaptation and biodiversity benefits of

free-flowing rivers and on the need for strategies to restore the connectivity of Europe's rivers.

## Opportunities for EIB investment in sustainable seaweed and bivalve aquaculture

The seaweed and bivalve sectors (bivalves are molluscs such as mussels, oysters and scallops) offer promising solutions to help restore oceanic environments, mitigate climate change effects, reduce the overexploitation of resources, and improve the livelihoods of millions of smallholders, particularly in coastal areas. From providing nutritious food for humans and animals, to acting as a substitute for hydrocarbon-based plastics, to sequestering carbon and restoring oceanic biodiversity, seaweed and bivalves have myriad uses and the potential to address many of the EU goals related to the blue economy, biodiversity and climate.

In 2023, the EIB created a partnership with the **Global Seaweed Coalition**, a collaborative non-profit coalition bringing together civil society, representatives from the UN Global Compact, the scientific community, supply chain organisations, international organisations and financial institutions, with the aim of ensuring that the seaweed industry is sustainable, restores ecosystems and benefits coastal communities and consumers. The Global Seaweed Coalition seeks financing opportunities for the EIB in support of seaweed and bivalve aquaculture in the European Union and identifies criteria to ensure the sustainability of such aquaculture projects. The aim is to help the Bank increase its investments in projects that improve and protect the health of the ocean and the sustainable exploitation of its resources, including sustainable seafood production, in line with the EIB's **Blue Economy** strategy.

## Nature-based solutions for flood risk reduction in Greece

The **EIB has partnered** with the World Wildlife Fund (WWF) Greece and Global Infrastructure Basel (GIB) Foundation, which promotes sustainable and resilient infrastructure, to study **nature-based solutions for flood resilience and biodiversity** in the Thessaly region of Greece, which has suffered heavily from repeated flooding.

The **resulting report** shows that nature-based approaches to flood management in the region, such as widening rivers and connecting them with their floodplains, creating riparian forests, and removing man-made structures built to control or obstruct the flow of rivers, would be far more efficient than relying on new or rehabilitated grey flood protection infrastructure, such as dykes. These nature-based approaches to flood resilience were at the centre of discussions with the EIB's partners in 2023.

In addition, **groundbreaking research** from the **Nature-Based Infrastructure Global Resource Centre** and the **International Institute for Sustainable Development** published in May 2023 quantifies and compares the economic, social and environmental benefits of grey, green and hybrid infrastructure approaches in the region. The research concluded that the nature-based option had a much higher long-term (25 years) benefit-to-cost ratio (2.9) than either the hybrid (2.4) or the traditional grey infrastructure approach (1.5). These figures do not include avoided flood damage or additional economic benefits such as eco-tourism revenues, all of which would be substantial.

In 2023, the partnership delivered **biodiversity indicators** and a proposed biodiversity monitoring programme, as well as a methodology for participatory development of nature-based solutions from origination to feasibility.

The EIB also launched a new partnership with Global Infrastructure Basel in 2023 to identify opportunities for EIB investment in nature-positive measures for coastal adaptation through nature-based storm surge and erosion protection, such as dunes, seagrass meadows, saltmarshes and reefs, which can complement grey coastal protection through sustainable and resilient solutions, which are often also inexpensive. The resulting report will identify potential partners on the ground, best practice cases in nature-based coastal protection, and other stakeholders, such as regional and local authorities seeking to implement nature-based coastal adaptation measures.

## Intermediated lending for the ocean and sustainable blue economy opportunities

In 2023, the EIB established two partnerships, with the **International Union for the Conservation of Nature**

(IUCN) and **Blue Seeds**, aimed at helping the Bank identify opportunities for investing in the sustainable blue economy in coastal ecosystems in the Mediterranean and beyond the European Union.

The partnership with IUCN enables the EIB to learn from its experience in developing **blue nature-positive projects** (for example, how to engage with local authorities and blue carbon markets around marine protected areas). It also enables the Bank to connect with IUCN's network of project promoters on the ground and gain feedback on realistic and implementable investments and eligibility criteria for the Bank's blue economy-related intermediated financing.

Blue Seeds is a small organisation connecting conservationists with financial institutions and policymakers. Blue Seeds will support the EIB in identifying sustainable blue economy investment opportunities in the Mediterranean and act as a sounding board for developing realistic and implementable criteria for the Bank's blue economy-related intermediated financing. The aim of the partnership is to help guarantee the sustainability of EIB lending to the blue economy, for which there is increasing demand.

## Identifying nature-based solutions for adaptation and water security in Croatia

In 2023, the EIB started a partnership with **The Nature Conservancy** to assess the potential for nature-based approaches to water security in Croatia. Croatia is water-rich with abundant biodiversity, but in recent years, the country has experienced **increasing water stress and climate change effects**, including droughts and severe flooding with tragic loss of life and infrastructure. In coastal areas vital to the Croatian economy, saline intrusion due to rising sea levels is degrading water quality. These trends are **expected to worsen** in the future as climate change advances.

The partnership aims to identify opportunities for the EIB to support nature-based approaches to water security challenges in Croatia. It is supported by an advisory board comprising the Croatian Institute for Water, the Ministry of Economy and Sustainable Development and WWF Adria.

The Nature Conservancy is also training EIB staff members around the world on incorporating nature-based solutions in water- and land-management investments. Two rounds of training have already been provided, most recently to teams in the Bank's offices beyond the European Union, increasing their understanding of what nature-based solutions are and how they can help address critical water security challenges such as water quality, floods or droughts.

## Biodiversity footprinting at the project level

Together with the **Partnership for Biodiversity Accounting**

**Financials** (PBAF) and **PRé Sustainability**, the EIB tested the applicability of the Biodiversity Footprint for Financial Institutions (BFFI), a methodology for assessing the impact of the Bank's direct investments on biodiversity at the project level (including land use, water scarcity, pollution and other environmental pressures leading to biodiversity loss). The method was applied in four case studies of EIB-financed projects: an agriculture project in sub-Saharan Africa; a hydroelectric project with dam development in sub-Saharan Africa; an offshore wind farm in Europe; and a mining concentrator plant and chemical plant to produce critical minerals in Europe.

The aim was to gain an understanding of how a financial institution such as the EIB can adapt and use biodiversity footprinting approaches to understand, manage and report on biodiversity impact risks and improve its nature-positive investments.

The EIB's experience was presented to the **EU Business and Biodiversity Platform** in an online seminar bringing together the finance and biodiversity communities and including financial institutions, bilateral and multilateral development agencies, civil society organisations, and companies.

### Assessing nature-related risks and dependencies

The EIB created a partnership with the **UN Environment Programme World Conservation Monitoring Centre** (UNEP-WCMC) to test methodologies for assessing how the Bank's loans and investments affect — and depend on — biodiversity, ecosystems and their services, with a view to managing such risks in its portfolio.

The activities of financial institutions such as the EIB can have a major impact, both negative and positive, on nature. While many institutions, including the EIB, already calculate their carbon footprint, tools for nature-related screening and measuring are still being developed.

UNEP-WCMC applied the **ENCORE** screening tool to the EIB's 2022 direct lending portfolio to calculate the nature-related effects of and on EIB-financed loans and investments. The partnership delivered an assessment of the Bank's exposure to the most material nature-related effects, by sector and sub-sector. The results and methodology were presented to the EIB, and the partnership enabled a rich discussion on the tool's applicability to the Bank.

### Sustainable finance: Regional knowledge sharing platform

The EIB partnered with the Croatian Association of Experts in Nature and Environmental Protection (also known as HUSZPO, its acronym in Croatian) to set up a regional knowledge sharing platform on sustainable finance and

impact assessment, to explore the connections between EU legislation related to sustainable finance and environmental decision-making tools. The knowledge sharing platform kicked off with a first workshop on **“practical linkages between the EU taxonomy and environmental impact assessment (EIA) processes,”** which brought together leading European experts from the financial sector, environmental authorities, environmental experts and academia for a comprehensive discussion on the subject.

The workshop served as a forum to share experience and create guidelines for hands-on uses of the environmental procedures, to ensure that investments answer two criteria: make a substantial contribution and do no significant harm, as defined by the EU Sustainable Finance Framework.

The main outcome of this engagement was the recognition that continuous and in-depth knowledge sharing, dialogue and networking were necessary to build on the challenges and opportunities identified by corporates and the banking system in their progress towards alignment with the EU sustainable finance agenda.

### EIB support for the Carbon Disclosure Project

**CDP** (formerly the Carbon Disclosure Project) and the EIB Group, made up of the EIB and the EIF, have a long history of dialogue and cooperation. In 2021, the relationship grew stronger when the EIB Group decided to support the CDP investor signatory initiative to improve companies' disclosure of their climate and environmental data.

As a result, CDP sends its annual request for environmental data, also on behalf of the EIB Group and other investor signatories, to more than 9 600 companies. The EIB uses the data collected by projects under the initiative when evaluating the alignment of its counterparties with the Paris Agreement — the international treaty on climate change.

The EIB Group also joined the 2022 CDP Science-Based Targets Campaign. As part of the campaign, the Group and more than 300 other financial institutions and multinational firms with a total of \$37 trillion in assets and spending power call on more than 1 000 of the world's most impactful businesses to set emissions goals in line with the Paris Agreement's target of limiting global warming to 1.5° Celsius above pre-industrial levels. In 2023, in addition to its **ongoing support** for the investor signatory initiative, the **EIB Group added its support** to CDP action targeting states and regions, and a joint initiative of CDP and the NGO **ICLEI — Local Governments for Sustainability** targeting cities.

Finally, the EIB Group also supports CDP in its engagement with other national promotional banks, as it did during the Finance in Common Summit (see below), when it invited CDP to join an EIB-led panel.

# Governance

## Answering requests for information from civil society

As part of the [EIB Group Transparency Policy](#), the Bank has committed to regularly publishing accurate information about its role, policies and operations. For example, the [public register](#) provides access to the Bank's key project-related environmental and social documents and some key environmental policy documents.

The policy also determines how the Bank discloses information and documents upon request. Although the borrower undertakes to carry out the project in accordance with the EIB's environmental and social standards, processing requests for information provides the Bank with further opportunities to exchange with stakeholders at the project level and receive first-hand information from affected communities. The [Report on the implementation of the EIB Group Transparency Policy](#) provides an overview of the requests processed by the Bank's Civil Society Division each year.

Requesting information from the EIB enables civil society as well as other stakeholders to get a better understanding of the Bank's roles and responsibilities. The Bank values and encourages these exchanges and facilitates informal meetings with its relevant services on topics of interest or on specific projects. Topics discussed in 2023 included, for example, the Bank's mid-term review of its Climate Roadmap.

## EIB Board of Directors seminar with civil society representatives

In May 2023, the EIB held its annual seminar for the Board of Directors and civil society organisations at its Luxembourg headquarters, marking the return to in-person participation after two years of holding the seminar online because of the pandemic. A wide variety of organisations working on many different issues took part, giving the Board members access to a wealth of civil society expertise and a diversity of views on key topics for the Bank.

Civil society representatives were strongly involved in preparing the seminar, both in selecting speakers and moderators and in proposing the topics on the agenda. Their input was reflected in the two main issues discussed:

"Partnering for impact: EIB Global," and "EIB as the EU climate and environment bank." Participants discussed climate action, environmental protection, development finance and human rights. Also on the agenda was the EIB's approach to addressing the climate and environmental emergencies and to supporting high-impact investments that help deliver the UN Sustainable Development Goals.

The annual event is a key pillar of the Bank's stakeholder engagement and Transparency Policy and provides an invaluable opportunity for civil society representatives and the Bank's leadership and governing bodies to have a frank, open and constructive exchange.

## Social development

Through the EIB Volunteering Hub, EIB staff members engage in volunteering, donation and fundraising activities for non-profit associations, NGOs and charities. In 2023, the Volunteering Hub supported several volunteering and fundraising initiatives across a wide range of social and humanitarian fields.

One of these initiatives was the Sustainability at School project, which consisted of four sessions delivered to pupils in their last year of primary school by EIB volunteers on a subject of their expertise. During this first edition in 2023, 23 EIB volunteers tutored 224 students in English, German and French, on the topics of climate change, renewable energy, biodiversity and circular economy.

Following the earthquakes in Türkiye and Syria, the EIB Volunteering Hub mobilised donations of urgently needed items, such as clothing, blankets and food. Over just one weekend, the EIB community delivered nearly 30 boxes of donated items to the Turkish Embassy in Luxembourg, which were flown to Istanbul the following day.

Luxembourg hosts many refugees because of war and other humanitarian crises around the world. The EIB supports the refugee community's integration in their new environment. The EIB Volunteering Hub has continued its initiatives to support refugees, for example by renewing its help to a school located near our headquarters, which has welcomed refugee pupils. The hub set up a cosy reading corner at the school and donated Saint Nicholas treats and Christmas gifts during the winter holiday season.



## Cross-cutting issues

### The future of sustainable finance — disclosure and reporting

New rules on corporate sustainability reporting were introduced at the EU level in 2023, with the aim of modernising and strengthening the requirements related to environmental, social and governance information that companies must provide. A broader set of large companies and small and medium-sized enterprises will now be required to report on sustainability according to the European Sustainability Reporting Standards (ESRS) developed by the European Financial Reporting Advisory Group (EFRAG). The first companies will apply the new rules in 2024, for reports to be published in 2025. The standards, tailored to EU policies, build upon and contribute to international standardisation initiatives, and ensure that investors and the public have access to the information they need to assess investment risks arising from climate change and other sustainability issues. They also increase the transparency surrounding the impact of companies on people and the environment.

In October 2023, the EIB Group, in cooperation with the climate change think tank **E3G**, hosted an event that showcased the Bank's approach to interpreting and implementing the nascent EU sustainability disclosure and reporting framework. The event brought together delegates from the European Commission, peer institutions, the financial sector, corporates, industry representatives, civil society organisations and others to exchange about the challenges and opportunities related to the implementation of the new regulatory framework. The parties also discussed approaches to addressing identified issues, such as the alignment with international reporting standards when operating beyond the European Union.

### Reporting according to a civil society-led framework

In 2023, the Bank published its annual set of sustainability-related disclosures, which include reports drafted according to disclosure frameworks developed with civil society:

- EIB Group's flagship **Sustainability Report**
- Disclosures in accordance with the **Global Reporting Initiative (GRI)** standard
- Disclosures in accordance with the **Task Force on Climate-related Financial Disclosures (TCFD)**
- Sustainability disclosures in accordance with the **Sustainability Accounting Standards Board (SASB)** framework
- EIB Group **Carbon Footprint Report**

The Bank considers sustainability-related reporting to be an important tool to communicate its sustainability performance to partners and clients.

### Engagement with civil society for the Finance in Common Summit 2023 in Cartagena de Indias, Colombia

The third **Finance in Common Summit (FIC)**, co-hosted by the Inter-American Development Bank, ALIDE (the Latin American Association of Development Financing Institutions) and Bancoldex, with the EIB, Agence Française de Développement (AFD) and the Infrastructure Development Finance Company (IDFC) as official partners, was held in September 2023 in Cartagena, Colombia. Finance in Common is the global network of all public development banks, which aims to align financial flows with the **2030 Agenda for Sustainable Development** and the **Paris Agreement**.

Preparations for the Cartagena summit involved early discussions between civil society groups, in particular the civil society coalition **Forus International**, the co-hosts and partners and the Finance in Common secretariat. This early cooperation led to the participation of civil society representatives in most of the conference's panels (in particular on the UN Sustainable Development Goals and human rights, moderated by the president of the **International Federation for Human Rights** and with the participation of the **Accountability Counsel**) and in the closing session (with the president of Forus).



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