

## **EPLO: General Comments on EIB Environmental and Social Handbook**

Thursday, 20 June 2013

### Consultation

EPLO is pleased to see a revision of the social and environmental standards by the EIB. We note that some important elements are not yet ready for comment by civil society as they are not yet final versions (e.g. Standard 1 in volume 2 is titled '(being updated)') or are not yet included (volume 3). We encourage the EIB to ensure that civil society organisations and other experts have an opportunity to have input on these documents as they become available in a more final form.

We also note the short time frame for comments and finalizing the Handbook. EPLO will be sending a tracked changes and commented version of the Handbook by 5<sup>th</sup> of July. We encourage the EIB to take the time to produce a clear, thorough, and useful Handbook rather than rushing for the original July deadline.

### Structure

Given the centrality of the standards in the handbook and their function as guidance for the project promoter, we support the suggestion made by EIB that they should feature more prominently within the Handbook and become Volume I.

To enhance understanding of the way in which compatibility of the project with the EIB's social and environmental standards is assessed, we support the idea of a flow chart which demonstrates the different stages of assessments and shows where certain outcomes trigger additional measures taken by the EIB or the promoter.

### Adopting a comprehensive approach to social assessment

The social standards included by the EIB currently only address some aspects of human well-being in development, whether in the EU or other countries. We suggest that, instead of a somewhat piecemeal approach to the human aspect of EIB funding (e.g. labour, health and safety, etc.), that the EIB work from the basis of human rights as outlined in the International Association of Impact Assessment Principles of Social Impact Assessment, including:

- Social dimensions of the environment – specifically but not exclusively peace, the quality of social relationships, freedom from fear, and belongingness – are important aspects of people's health and quality of life.
- People have a right to live and work in an environment which is conducive to good health and to a good quality of life and which enables the development of human and social potential.
- Decision making should be just, fair and transparent, and decision makers should be accountable for their decisions.
- Development projects should be broadly acceptable to the members of those communities likely to benefit from, or be affected by, the planned intervention.
- The primary focus of all development should be positive outcomes, such as capacity building, empowerment, and the realisation of human and social potential.

(see the IAIA website, such as <http://www.iaia.org/iaia/wiki/sia.ashx>)

Such an approach would enable the EIB to take conflict into consideration throughout the whole project cycle and develop conflict-sensitive lending practices as recommended in EPLO's statement on the EIB and conflict sensitivity (2011) which can be found [here](#).

### Standards

The standards (volume 2) are currently guidance for possible EIB clients regarding the different environmental and social issues that may arise in projects. While the prescriptive

nature of the guidance is welcome, it is important that they include specific reference as to how the EIB will assess whether the standard has been met, i.e. what kind of information will constitute validation for the EIB to assess whether the project promoter has fulfilled its responsibility.

We recommend strongly to the EIB to use standard language:

- 'shall' to denote a requirement
- 'should' to denote a recommendation
- and 'may' to denote a suggestion.

The current draft of the standards include a high proportion of 'should's which, in EPLO's opinion, are better written as requirements using the verb 'shall'. It also includes many uses of 'significant', which is a term which is highly subjective.

We recommend that the EIB include clear objective thresholds or indicators which will ensure that all readers – EIB assessors, promoters, and stakeholders – understand exactly what is required by the EIB for each element of the standards.

Although during the consultation meeting, EIB staff referred to the desirability of leaving leeway for professional judgement, this could result in undesirable variability in consideration of environmental and social considerations by EIB staff. In addition, as ecology and social sciences are distinct professions with their own expertises, and the small number of suitably qualified EIB staff are too few to participate in every project assessment group, having leeway in the standards would mean that professional judgements in environmental and social fields are left to those who do not have the appropriate professional qualifications and experience. Clear, objective thresholds help ensure consistency and also clear understanding on the part of promoters and stakeholders as to what is required.

### Social screening

The function of the social screening form should be further clarified. Will it be completed based on information received from the project promoter on how the different standards are met?

In terms of information received, the EIB should consider using expertise that may be outside the Bank in assessing the quality of e.g. stakeholder engagement carried out by the promoter and make specific reference to this. While the Handbook specifies that the EIB will disseminate information about the project, it may be more useful and effective to seek concrete input on specific issues from local civil society and community organisations.

In addition, it should specify what steps are taken by the EIB when certain standards are not met.

### Monitoring

The section on monitoring (B.3) should provide a reference to involvement of civil society in the monitoring of the implementation of the project, meaning that meetings with civil society should be part of every monitoring visit, but also that they should be involved in assessing whether the standards are respected throughout the project cycle and where relevant, whether the mitigation measures are implemented.

### Conflict

The reference to conflict and to the specific considerations the EIB pays to operations in a conflict-affected context is very welcome. It would be useful for the EIB to specify how it defines conflict and what measures will be put in place to ensure that assessment, implementation and monitoring of projects are conflict sensitive.

We recommend that the EIB include in the Handbook a definition of conflict, in the interests of clarity.

The commitment of the EIB to further reflect on this issue and prepare specific guidance later in the year is very positive. In developing this guidance, it is important to engage with experts on private sector activity and conflict, including civil society, early on in the process and ensure that apart from a stand-alone policy or document, conflict considerations are integrated throughout the Handbook, specifically the different standards.

EPLO would be pleased to support the EIB on this issue. It would for instance be possible to facilitate an exchange between the EIB and experts on private sector activity and conflict, including civil society, academics and other IFIs in the framework of the Civil Society Dialogue Network which is a project aimed at facilitating dialogue on peacebuilding issues between civil society and EU policy-makers. For more information, please go here: <http://www.eplo.org/civil-society-dialogue-network.html>

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