The EIB's Early Approach to the Environment.

The History of the Bank's Environmental Strategy from the 1970s to the 1990s

Starebei – Research Project

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The Research Project

Sources
- EIB Archives
- Interviews with current and former EIB staff

Research Topic
- Environmental history and European Integration: the role of the EIB

Research Questions
- How did environmental legislation at national and Community level impact on banks’ activities, and conversely how did they influence, if so, policy-making and legislation?
- Where did banks stand in the debate on the balance between environmental protection and economic growth, and how did it influence their investments and strategies?
The EU, the EIB and the Environment Today

• Climate action and environmental sustainability are now at the centre of EU strategy (climate neutrality by 2050)

• EIB Climate Bank Roadmap (November 2020) sets out the guidelines to implement its climate and environment commitment, and support both the long term goals of the European Green Deal, and the UN SDG
A note from the EIB Research Department (ET), 2 July 1971

- First document dealing with environmental issues: note from an engineer of the ET Department, K. Ackermann, to ET Director H.O. Steffe.

- «I have the impression that the issue of environmental protection has not received any particular attention in the Bank so far».

- Context: increased attention towards the environment at international and European level - Stockholm Conference (1972) and the first EC Environmental Action Plan (1973).
The Management Committee’s decision, 1973

- The MC “declares to consider as eligible for loans from the Bank, under the title of common interest to several Member States, certain projects aimed at safeguarding the environment”

- As there was no Treaty provision explicitly mentioning the protection of the environment as one of the goals of the EC, the MC referenced one of the competences that the Treaty of Rome and the annexed Protocol attributed to the EIB, that is to finance projects of common interest to several Member States.
The first financed projects (1973-1974)

• 1973, Installation of equipment for the control of exhaust fumes and dust emissions in a steel factory in North Rhineland-Westphalia.

• 1974, Construction of a water purification plant in Germany (reduce pollution of the Rhine).
The EIB Internal Procedures

• The EIB did not have environmental experts, and did not create a specialized environmental unit, on the model of other multilateral financial institutions like the World Bank.

• The assessment of a project's environmental impact was a task of the engineers of the CT Department (technical advisers).
1. The evolution of EC/EU environmental legislation

- The Treaty of Maastricht was the engine behind the great expansion of EU environmental policy since the 1990s.
- The EIB followed through with a significant increase of green investments.
2. External pressure of societal actors

- Environmental NGOs criticized or questioned the Bank’s approach towards the environment, pushing the EIB to change its strategy, its public image or its internal procedures.

3. Institutional Examples

- The contacts with other multilateral financial institutions via international networks and bilateral cooperation familiarized the EIB with different internal procedures, new concepts, a new vocabulary.

- Cooperation with the World Bank in the late 1980s (Mediterranean): the concept of sustainable development.
4. EIB Staff and Management

- The proactive attitude of some of the Bank’s management and staff contributed to affect a change in the Bank’s organizational structure and public discourse.
Conclusions

Factors pushing the environment higher up on the EIB agenda:

1. The evolution of EC/EU environmental legislation
2. External pressure of societal actors
3. Institutional examples
4. Proactive attitude of EIB staff

Why stop in the 1990s?

- Availability of archival sources
- Discontinuities in EU policy
- EIB internal changes
Back to the present

• 1996 Environmental Policy Statement (updating the 1984 Board of Governors decisions): a political commitment by the EIB towards an issue that was becoming a high priority for its stakeholders (the EU Member States) and the European Union.

• Has the EIB transitioned from policy-taker to policy-maker in the environmental field?
THANK YOU.