

16 February 2017

Werner Hoyer
President
European Investment Bank
100, Bd Konrad Adenauer
L-2950 Luxembourg
Luxembourg

Re: Selection of Head of Complaints Mechanism Office

Dear President Hoyer:

We are writing to express our concern that the EIB is hiring the head of the Complaints Mechanism (CM) prior to the revision of the CM's operating procedures, thus predetermining the outcome of that review. In lieu of postponing the hiring process, we request that a nomination committee be established, including external stakeholders, to help select the next head of the CM.¹ Doing so would not only be in line with best practice at other multilateral development banks (MDBs), but it would also engender trust among the people who would seek to use the CM. Trust is an essential component to ensure the CM's legitimacy—one of the seven effectiveness criteria for non-judicial grievance mechanisms established by the UN Guiding Principles on Business and Human Rights.

Independent accountability mechanisms (IAMs), like the EIB's Complaint Mechanism, are designed to benefit and answer to local communities adversely affected by activities supported by development finance institutions. But IAMs must first overcome the distrust among users that is inherent in being housed within the same institutions that financed the projects that caused them harm. One way for the CM and other IAMs to demonstrate independence and engender trust is by including outside stakeholders in the hiring of key mechanism staff.

The selection procedure for the Vice President and Compliance Advisor Ombudsman (CAO) of the International Finance Corporation (IFC) provides the best practice among MDBs. A nomination committee is established composed exclusively of stakeholders external to the IFC, including representatives from civil society organizations, academia and the private sector. The nomination committee, after reviewing applications and interviewing candidates, makes a recommendation for the position to the President of the World Bank Group.² Other MDBs also include external stakeholders in the selection process of mechanism staff. At the European Bank for Reconstruction and Development, a nomination committee composed of members internal and external to the bank is created to select the Project Complaint Mechanism Officer and Experts. The Director of the Independent Consultation and Investigation Mechanism of the Inter-American Development Bank included external stakeholders in the selection committee for the Consultation and Compliance Review Coordinators.

For the head of EIB's Complaints Mechanism, we would recommend that a nomination committee be formed composed of members both internal to the bank—EIB Board and staff—and external to the bank, including representatives from civil society organizations, academics, and the European Parliament. Additionally, we would suggest that the European Ombudsman act as an observer in the

¹ The job announcement can be found here:

https://erecruitment.eib.org/psp/hr/EMPLOYEE/HRMS/c/HRS_HRAM.HRS_APP_SCHJOB.GBL

² CAO, *2014 Annual Report*, p. 7, available at <http://www.cao-ombudsman.org/publications/documents/CAOANNUALREPORT2014.pdf>.

committee. The committee would then review applications, select candidates to interview and make a recommendation to the Board of Directors for their appointment.

This process could be considered a pilot to be assessed during the upcoming review of the CM's Operating Procedures. In order to live up to its commitment to lead by example on accountability and transparency matters, we expect the EIB Management to pay attention to this selection process. As interviews for the position are expected to occur at the end of March, we look forward to your prompt reply.

Sincerely,

Accountability Counsel
Bank Information Center
Both ENDS
CEE Bankwatch Network
Center for International Environmental Law
Centre for Research on Multinational Corporations (SOMO)
CNCD-11.11.11
Counter Balance
European Network on Debt and Development (Eurodad)
Forest Peoples Programme
Fundación para el Desarrollo de Políticas Sustentables
International Rivers
Lumiere Synergie pour le Developpement
L'Observatoire d'Etudes et d'Appui à la Responsabilité Sociale et Environnementale
Urgewald

Cc: Emily O'Reilly, European Ombudsman
Cecilia Wikström, Chair of the Petitions Committee, European Parliament
Jonathan Taylor, EIB Vice-President responsible for the Complaints Mechanism
Felismino Alcarpe, EIB Complaints Mechanism