



**POLICY**

**RECOMMENDATIONS**

# SOCIAL AND GREEN EIB

Europe is at a crossroads. From escalating climate breakdown to soaring inequalities and a cost-of-living crisis, the continent faces a convergence of systemic shocks. Yet, instead of responding with bold public investment and solidarity, EU policies are increasingly shaped by austerity, deregulation, and a narrow focus on global "competitiveness." Across the bloc, far-right and authoritarian forces are exploiting people's fears and frustrations, pushing policies that scapegoat minorities, weaken labour protections, and shrink civic space, while continuing to serve corporate interests.

Public finance is following these trends. The European Investment Bank (EIB), the EU's house bank which lent over €89 billion in 2024 alone, too often backs projects that reinforce the status quo: funnelling money to large corporations, financing false climate solutions and carbon-intensive companies that continue their polluting activities, and sidelining the social and ecological transformation we urgently need. Instead of driving a just transition, the EIB is being pressured to act as a tool to boost corporate profits, even if they lack strong conditions to protect people and the planet.

That's why we, a broad coalition of CSOs, trade unions, environmental campaigners and social justice advocates, are calling for a change of course. Our policy recommendations lay out a clear path to realign the EIB's mandate with the principles of climate justice, social equity, and democratic accountability. Collective intervention plays a crucial role to deal with the crises we face and we need to reclaim public finance for the common good as early and as fairly as possible.



# The Problem: Public Finance Misaligned

The EIB was founded to serve the public good: it has a non-profit mandate to invest in projects that foster cohesion, solidarity, and sustainable development across the EU and beyond. But in practice, it too often strays from this mission. The Bank makes billions in profits and a significant share of its funding flows to large multinational corporations and financial intermediaries, with limited transparency and weak social or environmental safeguards. In recent years, the Bank has channelled billions into carbon-intensive sectors and supported fossil fuel-heavy companies, despite its climate commitments.

Meanwhile, the EIB's investment footprint remains uneven. Local, publicly owned, or community-rooted projects often struggle to access funding, especially in lower-income regions where the need for public services and infrastructure is most acute. Rather than catalysing bottom-up transformation, the Bank risks entrenching a top-down, market-driven model that sidelines social needs and democratic participation.

## Our Vision: A Social and Green EIB

As the EU re-embraces fiscal tightening—with new economic governance rules that constrain national budgets—the EIB is positioned to either deepen inequalities or become a powerful engine for public-led transformation. At this turning point, the stakes could not be higher: we demand the EIB to prioritise people and the planet, specifically to:

### 1. Reorient EIB financing to serve public needs

- Prioritise projects that address people's daily needs in the form of public and essential infrastructure and services—such as public and non-profit housing, care, energy, mobility, and food systems—over those aimed at boosting competitiveness by increasing private profits without strong social and environmental conditions.
- Support the Pan-European Investment Platform for affordable and sustainable housing by focusing on those most in need. Improve alignment between housing investments and urgent housing needs, as well as reporting on the social benefits of the housing projects. The Bank should support public and social housing, ensuring funding substantially delivers for people experiencing homelessness and for low income people, who have the most difficulties to access a decent home.
- Change project selection and approval criteria to allow for more public infrastructure and - service projects. The appraisal of projects should be changed to allow for more public and non-profit initiatives that have long-term economic viability and high socially and environmentally positive impacts.
- Increase cooperation with national and regional public financial institutions to back environmentally-friendly public and other essential infrastructure and services on a local level.
- Enshrine a social and ecological mandate in the Bank's Statute, making public benefit — which means that the favourable financing conditions the EIB can offer benefit the end users who need it most, not wealthy investors—the foundation of all decisions.

## 2. Ensure full alignment with Paris Agreement

- Reject the current focus to support competitiveness by prioritising loans that boost private investors' profits without fully aligning with the Paris agreement. The EIB must not contribute to weakening social and environmental regulation and criteria, nor subsidy races, especially at the expense of the Global South, that benefit large corporations at the expense of social and environmental goals.
- Any programs or loans aiming to support economic performance must recognise the social and economic costs of climate change and inequalities and ensure projects do not create harm and contribute to improving environmental and social conditions.
- End financing for harmful companies and activities. Immediately exclude projects that prolong the life of fossil fuels, false solutions like carbon capture and storage and projects that lock in inequality or environmental degradation. Strengthen screening to avoid false solutions like offsets and greenwashing.
- Tighten eligibility rules to exclude companies without credible science-based transition plans fully aligned with the Paris Agreement or those involved in environmental harm or social rights violations. The Bank must finance companies that reinvest their profits in proven sustainable solutions and adopt high social standards.
- Scale up investments in local public sustainable and affordable infrastructure and services, community-based adaptation, energy poverty reduction, and ecological restoration—especially in climate-vulnerable regions.
- Adopt a strong climate strategy that applies to all bank operations. Focus on ending support for clients that continue to invest in fossil fuels, unproven or inefficient solutions, and focus on just transformation by prioritising support for projects that provide affordable and sustainable services for essential needs, promote the circular economy and energy efficiency.

## 3. Finance public ownership and oversight

- Establish a dedicated, well-funded mechanism for concessional finance to municipalities, public entities, and community-led initiatives. This can be done by expanding the Public Sector Loan Facility and applying it also outside of the current scope of just transition regions, which are heavily dependent on carbon-intensive industries.
- Offer highly favourable terms to regional and local public institutions, investing in affordable social housing, renewables, public and soft mobility, health systems, and green infrastructure.
- Provide technical support for smaller, local governments and community-led initiatives to access EIB financing—especially in peripheral and underserved regions.
- Require community and civil society input at all stages of project development, especially from those most affected.
- Reform the EIB Complaints Mechanism to be independent, transparent, and accessible to workers, citizens, and civil society.
- Improve democratic governance by giving a stronger role to European and national parliaments, as well as involve civil society in all stages of decision-making.

## 4. Advance a just transformation that delivers for workers

- Introduce conditionalities to ensure that all EIB-financed projects create quality employment, uphold collective bargaining, and meet ILO standards.
- Require worker and union participation in project governance, due diligence processes and transition plans at company level.
- Establish robust public tracking of employment quality and social impacts in all EIB-supported investments.

## A Bank for the Public Good

The EIB is not just another lender. It is Europe's public bank, funded by taxpayers, governed by Member States, and mandated to serve the EU's long-term goals. In a time of climate urgency and social divisions, the Bank must use its large financial firepower to become an engine for a just transformation that fully respects planetary boundaries and tackles inequalities.

**A Social and Green EIB is possible, and necessary. What's needed now is political will and public pressure to make it happen.**

