

#EP2019: WILL YOU STAND UP FOR FINANCIAL JUSTICE?

The European Union sometimes flies under the radar as a global financial actor. The reality is very different. The European Investment Bank lent €55 billion in 2018, making it the world's largest international public lending institution. And meanwhile, the EU, together with its member states, gave €75.7 billion in aid in 2017, making it the world's largest donor. €15 billion of this came from the EU institutions alone. These funds should be used for the benefit of citizens in both Europe and in developing countries where they are invested, rather than interests of banks and shareholders that do not always represent the wider interests of ordinary citizens.

The EU's founding treaties are based on the respect of universal human rights in all of its operations including in macroeconomic, debt, investment, tax, and budget policies. The EU is also a signatory to the Paris Agreement and the 2030 Agenda that establish both internal and external obligations to aligning financial regulation and investments with human rights and the SDGs. Our mission is to end the power imbalance which allows financial injustice to continue, by mobilising citizens across Europe to speak up for a better system, in which finance serves people – not vice versa.

European Pledge for Financial Justice

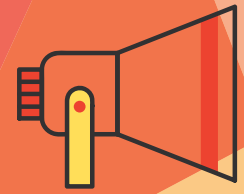
With that in mind, as a candidate in the forthcoming European Parliament elections this May, we call on you to pledge to stand against big finance and for financial justice.

I pledge to stand up to vulture funds by pushing for EU-wide legislation that limits their predatory practices. Vulture funds are specialised investment funds that buy defaulted or distressed debt at highly discounted prices, and then try to secure high returns through a number of aggressive methods including legal action.

Across the European Union, vulture funds have played a detrimental role in financialising infrastructure and basic services such as housing, notably by buying up non-performing loans from banks keen to clean up their balance sheets. The European Commission is now proposing a 'Non-Performing Loans' Directive which would effectively formalise a practice which has seen countless home loans moved out of high street banks, and onto the books of less-regulated shadow banks' books. This is a poor and risk-laden attempt to resolve the continued debt and mortgage crisis faced by banks across Europe.

As a candidate for the European Parliament, we are calling on you to pledge to put the needs of people before the profits of vulture funds and:

- Call for and support EU-wide legislation to combat speculation and litigation by vulture funds on sovereign debt, building on existing national level laws; and
- Oppose the extension of markets for vulture funds under the proposed Non-Performing Loans Directive.



I pledge to support efforts that make the European Investment Bank work for people, not corporations

The European Investment Bank (EIB) is the financial arm of the European Union – the EU Bank – and it's the largest multilateral lender in the world. As a public bank, the EIB is mandated to use its investments to drive public policy goals. Unfortunately, currently, the EIB remains a largely unaccountable institution. This needs to change.

As a candidate for the European Parliament, we are calling on you to support root-and-branch reform of the EIB, including:

- Making the EIB a climate leader by ensuring its investments align to the Paris Agreement and accelerate a fair transition, instead of continuing to invest in dirty fossil fuels;
- Prioritising Human Rights: the Bank needs to reinforce its due diligence at project level to ensure the projects it supports respect core values of the EU external action and do not further Human Rights violations.
- Democratising the EIB by creating mechanisms for citizen participation in its decision-making, and by enhancing oversight mechanisms to allow, in particular, the European Parliament and the Court of Auditors to better scrutinise its decisions and hold it to account;
- Making sure that EIB loans fully comply with the United Nations' responsible sovereign lending principles, and are easy to restructure when a borrower country faces debt crises.

I pledge to oppose the creeping privatisation of the EU's aid budget, and ensure aid is not used to line the pockets of big corporations

The European Commission plans to increase its overseas spending by close to 30% over the next 10 years. But along with this, has come an increasing emphasis on using for-profit, private corporations to deliver aid, and on 'blending', i.e. of subsidising private loans with public money from aid budgets - often in a manner which exposes countries in the Global South to debt and financial instability. The EU's aid spending should not be used as a tool to facilitate private investment opportunities. Public Private Partnerships, have been shown to be more expensive and less effective in achieving their objectives.

As a candidate for the European Parliament, we are calling on you to:

- push for an accountable and transparent development finance architecture which prioritises the sustainable development and well-being of citizens and communities where investments are targeted.