



Европейска инвестиционна банка
 Evropská investiční banka
 Den Europæiske Investeringsbank
 Europäische Investitionsbank
 Euroopa Investeerimispank
 Ευρωπαϊκή Τράπεζα Επενδύσεων
 European Investment Bank
 Banco Europeo de Inversiones
 Banque européenne d'investissement
 An Banc Eorpach Infheistíochta
 Europska investicijska banka
 Banca europea per gli investimenti

Eiropas Investīciju banka
 Europos investicijų bankas
 Európai Beruházási Bank
 Bank Ewropew tal-Investment
 Europese Investeringsbank
 Europejski Bank Inwestycyjny
 Banco Europeu de Investimento
 Banca Europeană de Investiții
 Európska investičná banka
 Evropska investicijska banka
 Euroopan investointipankki
 Europeiska investeringsbanken

Luxembourg, 05 June 2024

Ref: Complaint SG/E/2023/27

Dear [REDACTED],

We refer to our email of 21 December 2023 informing you of the registration of the complaint under the reference number indicated above. At the same time, we informed you of the date by which you may receive a reply from the EIB Group Complaints Mechanism (EIB-CM) regarding your complaint about the operation entitled Keflavik Airport Extension (hereinafter, the operation).

The operation is promoted and implemented by Isavia ohf (hereinafter, the promoter). The European Investment Bank (the EIB) approved the financing of the operation in 2017 in the amount of EUR 100 million; the respective finance contract was signed in February 2018¹ and the EIB loan was fully disbursed by May 2020.

You allege that the 2021 construction of the basement of the future East wing of the Keflavik Airport (dedicated to house the baggage-screening, financed by the EIB) was initiated without a notification having been sent to the Icelandic National Planning Agency. You also contend it was done without an environmental impact assessment (EIA) having been completed, as required by the National Act on Environmental Impact Assessment (EIA Act)². Furthermore, in your email of 12 October 2023, you informed the EIB-CM of the completion of the EIA procedure and the issuance of the EIA decision of 6 October 2023.

The EIB-CM Policy³ and Procedures⁴ task the EIB-CM with addressing complaints concerning alleged maladministration by the EIB. Maladministration means poor or failed administration and it occurs when the EIB fails to act in accordance with a rule that is binding upon it⁵; maladministration may also relate to the environmental or social impacts of the EIB's activities⁶. Complaints against national, regional or local authorities (e.g., government departments, state agencies and local councils) are not handled by the EIB-CM⁷.

¹ Operation summary available [here](#).

² EIA Act No. 111/2021 of 25 June 2021 (amended) [here](#) (In Icelandic)

³ EIB Group Complaints Mechanism Policy (2018), available [here](#).

⁴ EIB Group Complaints Mechanism Procedures (2018), available [here](#).

⁵ Section 3.1 of the EIB-CM Policy, available [here](#).

⁶ Section 3.3 of the EIB-CM Policy.

⁷ Section 4.3.2 of the EIB-CM Policy.



The EIB-financed projects as well as the relevant associated facilities⁸ should comply with EU environmental law and national law in line with the finance contract. Given the content of your complaint and the interest in providing a timely reply, the EIB-CM deemed appropriate to reply by letter in line with Section 4 of the EIB-CM Procedures (simplified procedure).

Following your email, the EIB-CM contacted the EIB services responsible for the operation and requested clarifications as to the following: (i) the final set of the operation components falling under the EIB financing, (ii) the start and the completion dates of the implementation of those components, and (iii) authorisations applicable to those components. The EIB-CM prepared the present reply on the basis of the information and evidence provided by the EIB services and the promoter.

The description provided both in the project summary related to the operation⁹ and in the corresponding Environmental and Social Data Sheet¹⁰ encompasses the entire scope of the operation submitted to the EIB. The EIB-CM understands that such description was based on the Keflavik Airport development plan (2013-2030) adopted in 2017. According to said description, the EIB is financing the upgrade of the airport's baggage-screening equipment, to be installed in the East wing basement of the airport; however, the construction of the said East wing itself is not directly financed by the EIB. In line with the EIB standards, the components of the operation that are not directly financed by the EIB but that are essential for the operation constitute associated facilities. Their implementation is, therefore, subject to compliance with the EIB standards¹¹.

In December 2017¹², the promoter applied for the carrying out of an EIA of the updated Keflavik Airport development plan (2015-2035)¹³. In June 2019, the Icelandic National Planning Authority issued a scoping decision based on the said application submitted by the promoter¹⁴. The respective EIA decision was issued on 6 October 2023 (the 2023 EIA decision) and included, among other components, the East wing basement, challenged in this complaint, where the baggage-screening equipment will be hosted in the future¹⁵. The East wing basement, therefore, and as described above, appears to be an associated facility of the project. The EIB-CM takes note that said EIA process took longer than originally anticipated by the promoter (between 2018 and 2023).

The baggage-screening equipment to be housed in the East wing basement, if implemented on a standalone basis, would not require an EIA decision. From the information provided by the EIB's services, the promoter informed the Bank that the screening equipment is currently located in the Northern building. The East wing is under construction and is planned to be completed in 2030.

As noted above, the basement in question is part of the 2023 EIA decision. The promoter started the construction of certain sections of the East wing in June 2022 after the issuance by the Suðurnesjabær municipality of the relevant construction permit (which specifically authorises the construction of the East wing¹⁶) but prior to the issuance of the relevant EIA decision. As you correctly highlighted, the

⁸ Point 5 and 27, Standard 1, the EIB environmental and social standards, available [here](#).

⁹ Available [here](#).

¹⁰ Available [here](#).

¹¹ Point 5 and 27, Standard 1, the EIB environmental and social standards, available [here](#).

¹² Letter of 13 December 2017 sent to the Icelandic Planning agency (ref. 1712005GAE).

¹³ The environmental assessment report is based on the future forecast for Keflavik Airport Development Plan 2015-2035, as stated in the EIA decision.

¹⁴ The initial assessment report for the scoping decision dates January 2019.

¹⁵ Link to the EIA Procedure (according to Act 111/2021) [here](#) (In Icelandic). The EIA report dates to March 2023.

¹⁶ The decision of the Suðurnesjabær municipality, issued on 19 November 2021, refers to the extension of 21 359.3 m² (SLN18). The document states that it was issued under Articles 13 and 14 of the Construction Act No. 160/2010 and Articles 2.4.4, 2.4.7 and 2.4.8 of the Construction Regulation No. 112/2012. The permit indicates that if the construction has not started before 19 November 2022, it should be considered expired.



2023 EIA decision applies to the construction of the components outlined in the airport's updated development plan (2015-2035), but also covered certain components that had been completed and those that were under construction (such as the East wing).

The EIB-CM takes note of the abovementioned decision of the Suðurnesjabær municipality to grant the construction permit¹⁷. In this respect, it is important to highlight that, in line with Section 4.3.2 of the EIB-CM Policy, actions or decisions of national authorities fall outside the scope of the EIB-CM mandate. Should you wish to raise concerns about decisions of national/local authorities, you may consider contacting the Althingi Ombudsman or other national competent authorities.

The finance contract signed for the relevant operation requires the promoter to comply with the applicable national law, which transposes the requirements of the EIA Directive¹⁸. As per national law, the application for an EIA decision on the components of an operation should take place before the application for the respective construction permit. In this case, the promoter applied for an EIA decision covering the associated facilities of the operation before applying for the relevant construction permit. While it appears that the construction permit was issued first and the construction started prior to the issuance of the EIA decision¹⁹, the EIB-CM takes note that the issuance of the 2023 EIA decision remedied the above situation. Therefore, the EIB-CM sees no merit in further investigating the possible Bank's maladministration in this case.

In light of the above, the EIB-CM will proceed with the closure of the complaint. We hope this addresses your concerns. Finally, we would like to inform you that complainants, who are dissatisfied with the outcome of the procedure before the EIB-CM, can file a complaint of maladministration against the EIB Group with the European Ombudsman.

Yours sincerely,

EUROPEAN INVESTMENT BANK

EIB Complaints Mechanism

¹⁷ Section 1.4.5, EIB-CM Procedures (2018) available [here](#).

¹⁸ Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (codification) Text with EEA relevance, as amended, available [here](#). Iceland, as EEA country, transposed the EIA Directive into national law.