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Dr Werner Hoyer
President
European Investment Bank
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Azerbaijan: Crackdown on Critics Undermines Sustainable Development

Dear President Hoyer,

We are writing to share with you our concerns and recent research regarding the Azerbaijani government's ongoing repression of independent civil society and its impact on sustainable development.

The European Investment Bank (EIB) is currently considering several projects that would benefit Azerbaijan's extractive industries, including financing elements of the Southern Gas Corridor. At the same time, the Azerbaijani government is waging a vicious crackdown on critics and dissenting voices. Arrests and imprisonment of activists, human rights defenders, and journalists, as well as laws and regulations restricting the activities of independent groups and their ability to secure independent funding, have virtually extinguished the space for independent activism and critical journalism.

In October, the Extractive Industries Transparency Initiative (EITI), which the European Investment Bank has [endorsed](#), decided to uphold its demotion of Azerbaijan to candidate status as the government's crackdown on civil society falls afoul of its EITI commitments. Azerbaijan risks suspension from EITI if the government does not implement [the corrective actions](#) outlined by the EITI board by the next board meeting, scheduled for late February 2017. These actions include legal and regulatory amendments eliminating:

- (a) The need for civil society to obtain a certificate every two years confirming their registration;

- (b) The need for civil society to register grants with the Ministry of Justice;
- (c) The need for foreign donors to register individual grants with the authorities and obtain an opinion on the purposefulness of the grant.

Human Rights Watch's October 2016 [report](#) *Harassed, Imprisoned, Exiled: Azerbaijan's Continuing Crackdown on Government Critics, Lawyers, and Civil Society*, attached, documents the government's concerted efforts to paralyze civil society and punish those who criticize or challenge the government through prosecutions and legal and regulatory restrictions. Based on more than 90 in-depth interviews with civil society actors, it details the arrests and convictions of activists, journalists, and other critics, harassment of their family members, restrictions placed on civil society organizations, and proceedings against independent lawyers. With these targeted actions, the Azerbaijani government has largely eliminated avenues for civil society organizations and others to hold it accountable.

The EIB is committed to respecting human rights, aims to maximize social well-being through the projects that it finances, and has emphasized the importance of civil society in development decisions and holding governments to account. The Azerbaijani government's repression presents a serious impediment to these principles and thus to inclusive, sustainable development. The EIB should ensure that its engagement in Azerbaijan supports human rights, maximizes social well-being, and advances civil society participation, accountability, and the reversal of the government's crackdown on independent civil society.

Human Rights Watch and Bankwatch strongly urge the EIB to:

- (a) Abstain from providing additional financing for extractive industries projects, including for the Trans-Anatolian Natural Gas Pipeline (of which the Azerbaijani government and the state-owned gas company, SOCAR own 58 percent) and the Trans Adriatic Pipeline (of which SOCAR owns 20 percent), until the government has implemented the corrective actions outlined by EITI. It is essential that there be a framework within which natural resource revenues can actually benefit inclusive development. In light of the EIB's endorsement and support of EITI, it is crucial that the Bank not undermine the initiative by continuing to finance extractives projects in Azerbaijan at this time. Instead, the bank should finance projects that go directly toward meeting the urgent social and economic needs of the people of Azerbaijan; and
- (b) Through its diplomatic engagement with the Azerbaijani government and in public statements, raise concerns about the continued crackdown on independent civil society, emphasizing how the crackdown undermines civic participation and social

accountability and the importance of an enabling environment for civil society for sustainable development.

We would appreciate the opportunity to discuss these matters with you further. We look forward to your positive response and engagement with us to ensure your efforts and lending practices enable a safe space for civil society in Azerbaijan.

Sincerely,



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