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**FROM:**

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**TO:**

Thomas Mirow  
President  
EBRD  
One Exchange Square  
London EC2A 2JN  
United Kingdom

08 June 2009

Dear Mr Mirow,

I would like to thank you very much for meeting with civil society organisations after the EBRD AGM on 17 May. We found the meeting very useful indeed and it was reassuring to see that the bank shares our concerns in many areas. We would certainly agree with your points on the need to shelter people from the impact of the financial and economic crisis, to reduce vulnerabilities such as an excessive reliance on commodities, and to increase sustainability through reducing waste and energy intensity. We look forward to seeing the EBRD's next steps in integrating these concerns into its operations and its interaction with the relevant authorities.

Concerning social issues in individual projects, we were heartened to hear during the AGM that the EBRD has recognised the need to pay additional attention to the issue of resettlement. We have now experienced several projects such as the Atash project in Kazakhstan and the Gazela Bridge rehabilitation project in Serbia presented during the meeting, where the planned resettlements have not been carried out satisfactorily (or in these cases, at all). We hope to have further opportunities to discuss this issue with the EBRD staff as the bank improves its capacity to ensure satisfactory resettlements.

We welcome the EBRD staff's intention to visit the Atash project in Kazakhstan and raise the noise issues with the company. We hope that you will also address the issue of the postponed relocation of residents, as the community should not be forced to bear the brunt of the company's economic problems. We hope a satisfactory solution to both problems will be found as soon as possible.

Concerning the Gazela Bridge rehabilitation in Serbia, we realise that the EBRD is part of a rather complicated institutional arrangement for the technical assistance on resettlement and that the bulk of the problem is caused by the attitude of the Belgrade authorities. During the AGM, bank staff indicated that such an arrangement would not be repeated, and that the EBRD is trying hard to ensure that an appropriate solution is found, which we are glad to hear. Nevertheless we would emphasise that after recent forced evictions of other informal communities in Belgrade there is now more than ever a need for the EBRD's active role in ensuring a participatory and sustainable resettlement process with comprehensive consultation of both the community to be resettled and the host community.

We welcome the EBRD's explanation on the current state of the resettlement process on the Corridor Vc in Bosnia and Herzegovina and hope that there will be satisfactory consultations carried out soon on all sections of the road, not only those financed by the EBRD. More broadly, we urge the EBRD to ensure that satisfactory solutions are

**Bulgaria:**

Centre for Environmental  
Information and Education (CEIE)  
For the Earth

**Czech Republic:**

Centrum pro dopravu a energetiku  
Hnutí Duha

**Estonia:**

Estonian Green Movement-FoE

**Georgia:**

Green Alternative

**Hungary:**

Nature Protection Club of Eotvos  
Lorand University (ETK)  
National Society of  
Conservationists-FoE (NSC)

**Lithuania:**

Atgaja

**Macedonia:**

Eko-svest

**Poland:**

Polish Green Network (PGN)  
Institute of Environmental  
Economics (IEE)

**Russia:**

Sakhalin Environment Watch

**Slovakia:**

Friends of the Earth - Center for  
Environmental Public Advocacy  
(FoE-CEPA)

**Ukraine:**

National Ecological Centre of  
Ukraine (NECU)

CEE Bankwatch Network's mission  
is to prevent the environmentally  
and socially harmful impacts of  
international development finance  
and to promote alternative  
solutions and public participation.

found for the naturally and culturally sensitive sections of the route such as the planned Prenj-Cvrstica-Cabulja National Park, Blagaj, Pocitelj and the Kravice waterfalls. While the last two of these fall directly within the EBRD-financed sections, we urge the bank to ensure satisfactory environmental and social standards for the whole corridor.

Similarly, we call on the EBRD to adopt a more holistic approach to project financing, that is, to consider projects in their entirety rather than taking the “salami” approach, which was discussed repeatedly in meetings with your staff regarding numerous projects financed by the institution, including Atash, Chelopech, and Corridor Vc. The new Environmental and Social Policy includes a degree of clarification for projects approved since its adoption, however there are still outstanding concerns on this issue. We appreciate the willingness of the EBRD’s staff and Board to discuss these issues with us during the meetings.

Concerning operations in countries with poor human rights records such as Turkmenistan and Uzbekistan, we welcome your clear statement that human rights standards are not to be reduced due to the economic crisis, and your commitment to work with civil society in the relevant countries to ensure that any engagement from the EBRD assists ordinary people rather than reinforcing the power of the governments. As the EBRD reviews its Turkmenistan policy this year, we welcome your commitment to engaging with civil society in the development of the new policy and look forward to receiving more information as this process develops.

We were pleased to hear from the Board of Directors that raising the issue of Nabucco, particularly with regard to Turkmenistan, was appropriate at this time, precisely because no decision regarding the project is yet pending. Because one of the likely sources of gas for Nabucco, should it be constructed, is Turkmenistan, we encourage the EBRD to consider Nabucco as a project in its entirety, rather than looking at it piece meal. We urge the EBRD to abstain from financing any part of the Nabucco project until Turkmenistan’s human rights record and position on civil society meets western European standards. Otherwise, the EBRD will be de facto supporting an authoritarian regime in which civil society has virtually no voice in decision-making and in which human rights violations are rampant. Despite the change of President in 2007, which some have hailed as a marked improvement in these spheres, civil society representatives from Turkmenistan maintain firmly that the situation has not improved.

With regard to the Caspian region more generally, we encourage the EBRD to refrain from financing any oil and gas projects due to the serious environmental risks associated with this sector. The Caspian Sea is a unique and fragile ecosystem and any oil and gas development—including transportation projects (such as the Atash Bautino Port)—risk serious damage to this ecosystem.

We welcome the bank’s decision to develop a new mining policy, and we hope that it will bring greater clarity about what the EBRD would like to achieve in this sector, and how this will contribute to improving people’s lives in the countries of operation. We heard before the EBRD AGM that as part of the preparations there will be a stakeholders’ meeting organised in October in London bringing together civil society, bank staff, political decision-makers and company representatives, and we are looking forward to participating in this.

The cases outlined during our meeting, Chelopech in Bulgaria and Kumtor in Kyrgyzstan, illustrate some of the problems that have arisen so far. We therefore welcome the planned evaluation of the Chelopech

project and the intention of the environmental and social department to carry out a monitoring visit to Kumtor. As requested during the meeting we will be supplying further information to the relevant EBRD departments on the public participation in the Chelopech case as well as the Kapan case in Armenia.

Finally I would like to re-iterate the pressing need for good quality public participation in the EBRD's countries of operation. Some of the examples above show that there is still much to be improved in this area, with public consultations, where they take place, still too often viewed as a formality to be overcome rather than an opportunity for creating a high quality project benefiting the local community and other stakeholders. We appreciate very much the EBRD's engagement with civil society, and would encourage the bank to further develop this communication, particularly by engaging the regional offices more in communication with local people and through meeting with civil society groups when bank staff members are visiting the countries of operation. We also look forward to the implementation of the new Project Complaint Mechanism (PCM), which replaces the Independent Recourse Mechanism as means for civil society to file official grievances with the EBRD. We understand that the search for a PCM officer is underway and look forward to that office being filled in the near future.

I thank you once again for taking the time to meet with us and look forward to seeing you again next year in Zagreb, if not before.

Yours sincerely,

A handwritten signature in black ink, appearing to be 'M. A.', written in a cursive style.