



CEE Bankwatch Network
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Czech Republic
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From:

Mark Fodor
Executive Director
CEE Bankwatch Network

Na Rozcesti 1434/6
190 00 Praha 9 – Liben
Czech Republic

To:

Mr Erik Berglof, Chief Economist

Cc:

Mr Kurt Bayer,
Chair of the Board of Directors

Alan Rousso,
Corporate Director, Stakeholder
Relations

Bulgaria:

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

Czech Republic:

Centrum pro dopravu a
energetiku (CDE)
Hnutí Duha

Estonia:

Estonian Green Movement–FoE

Georgia:

Green Alternative

Hungary:

National Society of
Conservationists – Friends of
the Earth Hungary (MTVSZ)

Latvia

Latvian Green Movement

Lithuania:

Atgaja

Macedonia:

Eko–svest

Poland:

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

Serbia:

Center for Ecology and
Sustainable Development
(CEKOR)

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
environmentally and socially
harmful impacts of
international development
finance, and to promote
alternative solutions and public
participation.

11 November 2010

Dear Mr Berglof,

We have read with much interest the report prepared for the EBRD by Tim Besley et al. on Transition and Transition Impact. The report brings up some very important questions for the EBRD and its shareholders that need to be addressed in a systematic and open way. For now, we would note the following questions as deserving of fuller dialogue and discussion with stakeholders:

- how to fulfill the need to concentrate on institution building in transition countries?
- whether a bank is the best body to do this?
- whether the EBRD should move more into the health and education sectors or not?
- how transition should be defined in sectors where private sector participation is more contentious, such as public services?
- whether the environmental sustainability element of the bank's mandate should be built into the country level transition indicators?

These are important questions that are of interest to many people beyond the bank's staff, and are concerned that so far there have been no opportunities for public engagement in the process of redefining transition and transition impact at the EBRD, either on the country level or the project level – as distinct from the consultations on the bank's Capital Resource Review 4, which focused directly on the content of the investments that will be made during the next few years. We would therefore like to ask how the bank is planning to proceed with following up on this report and what opportunities are planned for public consultation on the transition concept?

EBRD staff have also mentioned in conversation during the past year that there are other ongoing processes in the bank connected with transition impact, such as the introduction of climate indicators, the Life In Transition survey, and an examination of how the EBRD could employ

poverty reduction impact indicators. It would be very useful to obtain a full overview of how these fit together and what the overall plan is for revising the country level and project-level transition indicators.

I would like to thank you for your time, and look forward to your response. In case you would prefer to discuss these issues in person my colleague Pippa Gallop will be in London in late November and early December and available for a meeting.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Mark Fodor', written in a cursive style.

Mark Fodor