

RE: Shrinking civil society space in Kyrgyzstan

TO: Odile Renaud-Basso
President of the EBRD
president@ebrd.com

Ayten Rustamova
Regional Head of the Kyrgyz Republic, Tajikistan
and Turkmenistan
RustamoA@ebrd.com

EBRD Civil Society
CSO@ebrd.com

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Dear Ms President Renaud-Basso

Dear Ms Rustamova

We, CEE Bankwatch Network, are writing to you to express our concern about the recent setbacks in democratic development in Kyrgyzstan, leading to the suppression of public discourse, political pluralism and accountability. We fear that the new proposed law on non-governmental organisations, which aims to restrict the work of civil society and independent media in the Kyrgyz Republic, will have a detrimental impact on the country's development. These developments in the Kyrgyz Republic will be detrimental to the country's development and are in complete contradiction to the progress emphasised by the EBRD in its Country Strategy Paper 2019-2024.

The Bank is concerned about corruption as "a major obstacle to private sector development" and its ranking. Recent developments in the country do not give hope for "enhancing competitiveness by increasing access to financing and improving business environment", "Improved performance, service delivery and sustainability of municipal infrastructure" or an "Enhanced exports and increased trade and investment flows".

As one of the country's largest lenders, the EBRD plans to focus its activities on three strategic priorities: **fostering sustainable growth by strengthening regional cross-border linkages, enabling SMEs to scale up and bolster competitiveness and promoting sustainability of public utilities through commercialisation and private sector participation.** However, recent developments undermine the realisation of these goals and could lead to an increase in poverty, unemployment and corruption. The climate for freedom of expression and civil society participation in decision-making has deteriorated further. The discriminatory draft law on non-governmental organisations (which follows the example of the infamous Russian law on "foreign agents") threatens to severely criminalise civil society engagement. The bill went through the first of three hearings in the Kyrgyz parliament on 25 October, with the final vote likely to occur in the next few days.

The policies and procedures of development banks such as the EBRD assume that information on the impact of their projects can be effectively collected and disseminated. The banks assume that local residents can be effectively consulted and - if necessary – compensated. However, this is not possible in a political environment where voicing concerns can lead to reprisals from the state. The EBRD and other development institutions will

not be able to work effectively in Kyrgyzstan if civil society is restricted by law. In such an environment, proper public consultations and stakeholder engagement, the cornerstones of investment decision-making, cannot be carried out.

The new Constitution, which came into force in 2021, has already weakened the separation of powers in the country by granting the president overly broad powers without creating effective checks and balances. Other recent developments have further heightened concerns about attempts to limit independent scrutiny and oversight over decision-making and create a permissive environment for corruption and inefficient investment of public funds.

We recognise the efforts of international financial institutions, including the EBRD, which have warned the Kyrgyz authorities that the amendments to the Law on Public Procurement would undermine the efficient use of taxpayers' money and the national procurement system and significantly increase corruption risks. Unfortunately, the authorities have heeded only some of the recommendations.

In addition, the proposed laws on non-governmental organisations and the media continue the trend of making Kyrgyzstan an unsafe place for anyone who questions state decisions. This new restrictive legislative initiative already affects NGOs, media and online platforms; and the court-authorized ban on peaceful protests in central areas of the capital Bishkek has been repeatedly extended.

In the past year, the number of arrests at peaceful gatherings has increased tenfold, culminating in October 2022 with the arrest of 25 prominent politicians, human rights activists and campaigners who had spoken out against the Kyrgyz-Uzbek border demarcation agreement. In May 2023, the ombudswoman Atyr Abdrakhmatova, who had been a critic of these developments, was dismissed by the parliament before her term of office expired. In addition, the authorities declared the public councils, which acted as public watchdogs in most state institutions, ineffective without much evidence and enforced their abolition.

The independent media has come under increasing pressure. The fight against disinformation has been exploited to prevent the dissemination of information on issues of public interest. Those who criticise, oppose and question the authorities' policies have been increasingly intimidated and harassed, including the prosecution of allegations deemed to be politically motivated. We and our civil society partners in the country fear that Kyrgyzstan's lack of transparency and weak anti-corruption mechanisms mean that state resources are at risk of being appropriated by a small group of rulers, leaving the rest of the population to sink into deep poverty. As civil society organisations play a crucial role in exposing corruption, restricting the freedom of action of CSOs will make the situation even worse.

We would like to ask the management of EBRD to work with the current government of the Kyrgyz Republic and signal to it that curtailing civil society space and creating obstacles for the media would undermine the country's development and create unnecessary problems for its economic development.

We propose that the EBRD consider the following mechanisms for co-operation with the Kyrgyz authorities:

- Greater coordination and joint efforts by all development partners and donors to signal that the current legislative initiative on the NGO law and policy trends are contrary to the spirit and principles guiding development assistance to the Kyrgyz Republic; revitalise the existing Donor and Partner Coordination Councils (DPCC); jointly develop and adopt specific proposals and recommendations for the Government of the Kyrgyz Republic with clear conditions for their implementation.
- Facilitate greater and more systematic engagement of international donors and partners with local civil society, including their involvement in multi-stakeholder platforms between

government, donors, civil society, business and other actors to hold open discussions, provide feedback and ensure their input into government policies and decisions.

- Develop and communicate specific positions on key repressive legislation in bilateral discussions with government; share such positions with national civil society and publicise them where possible.

Sincerely yours,



Mark Martin
Executive Director
CEE Bankwatch Network