
Bankwatch

Annual report 2023



Table of contents

We're Bankwatch	3
Letter from the executive director	4
Who we are	5
Where we made a difference in 2023	6
Beyond fossil fuels	7
Latvia's liquified gas plans evaporate	7
Rights, democracy and development	8
More transparency for fairer investments	8
Standing up for nature, history and culture in Georgia	9
Finance and biodiversity	10
In defense of nature	10
Funding the energy transformation	11
Campaigners on the case of REPowerEU	11
Bankwatch to the people: webinars and virtual tours	12
Cities for People	13
Wins for city residents	13
Our funders	14

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We're Bankwatch

We're the largest network of grassroots, environmental and human rights groups in central and eastern Europe.

We monitor public finance institutions that are responsible for hundreds of billions of investments across the globe.

Together with local communities and other organisations, we work to expose their influence and

provide a counterbalance to their unchecked power. We investigate the impacts of public finance, work with affected communities and local organisations across the world and help them protect their rights and livelihoods.

We make sure their stories are being told in Europe's power centres, doing our bit to make Europe a fairer, cleaner and sustainable place.

Letter from the executive director

Dear friends,

Nature is under threat. Communities are under threat. Globally, and indeed in central and eastern Europe, the effects of the climate crisis are felt acutely. Bankwatch's vision of an environmentally, socially, and economically just world has always had solidarity with and respect for people and nature at its heart. In 2023, we continued our work to prevent the harmful impacts of development finance and promote alternatives that improve the quality of life and the environment around us.

Our campaigners continued to fight tirelessly: to ensure our race to renewables doesn't destroy nature; to protect land and livelihoods from unchecked infrastructure construction; to ensure European public money finances energy alternatives that improve our air quality and

reduce their impact on the climate. These are just some of the challenges we took on in 2023. Across Europe, Bankwatch campaigners achieved a number of successes that will benefit people and the planet.

Yet our work is far from complete. We will continue to advocate for better financing so that nature and society can thrive. Thank you for supporting and joining us in taking action for a better world.


Mark Martin, *executive director*



Who we are


Bankwatch is the sum of its members

1 Za Zemiata
Bulgaria




Za Zemiata
Friends of the Earth Bulgaria

2 Zelena Akcija
Croatia




ZELENA AKCIJA
FRIENDS OF THE EARTH CROATIA

3 Centre for Transport and Energy
Czech Republic




CDE centre for transport and energy

4 Friends of the Earth
Estonia




Eesti Roheline Liikumine
Estonian Green Movement+FoE

5 Green Alternative
Georgia




GREEN ALTERNATIVE

6 MTVSZ, Friends of the Earth
Hungary




Magyar Természetvédők Szövetsége
Föld Barátai Magyarország

7 Green Liberty
Latvia




Green Liberty

8 Ekosvest
Macedonia




Ekosvest

9 Polish Green Network
Poland




Polish Green Network

10 CEPA, Friends of the Earth
Slovakia




Priatel'ia Zeme
CEPA

11 Ecoaction
Ukraine



екодія
ecoaction.org.ua

12 National Ecological Centre of Ukraine
Ukraine



Affiliated members

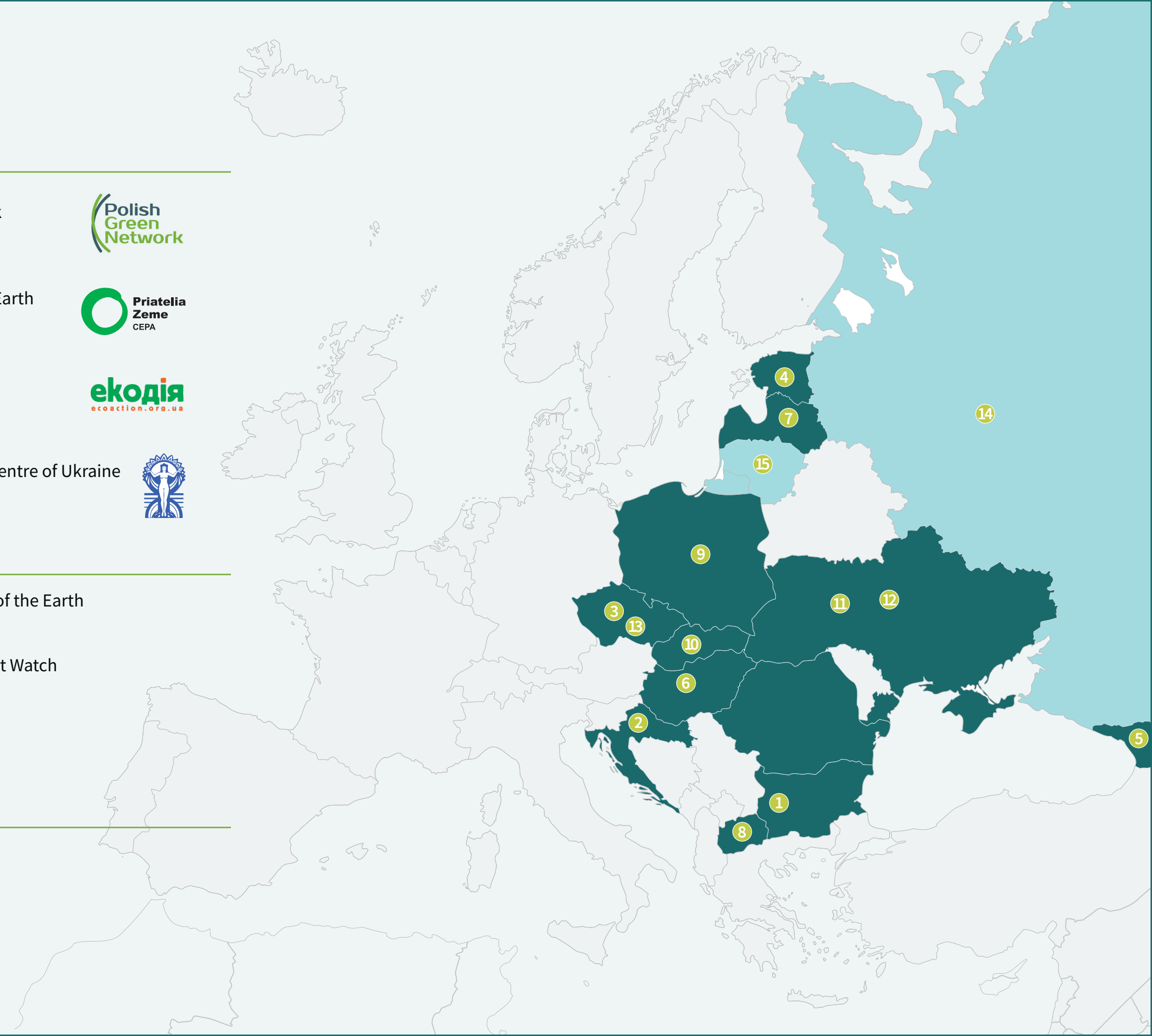
13 Hnuti DUHA/Friends of the Earth
Czech Republic

14 Sakhalin Environment Watch
Russia

15 Atgaja
Lithuania

Branches

Bankwatch
Romania



Where we made a difference in 2023



Check out our podcast:

[Looking back at 2023: Bankwatch highlights and achievements](#)

Beyond fossil fuels

The evidence is clear: relying on fossil fuels escalates the climate crisis, worsens air pollution, and enables war. Our campaign works to make sure no more public money is spent on fossil gas or coal and that instead, this funding is used to accelerate an energy transition that's renewable, efficient, and fair.

Where we made a difference

Latvia's liquified gas plans evaporate

Bankwatch member groups Green Liberty (Latvia) and the Estonian Green Movement successfully advocated for Latvia's government to cancel the construction of the Skulte liquified fossil gas (LNG) terminal.

The proposed project was part of efforts to respond to the energy crisis and to ensure a secure supply of energy in the wake of Russia's full-scale war on Ukraine. In April 2023, the government announced the project's effective cancellation, stating that they were able to import enough to meet current needs.

To prevent the project, environmental groups petitioned Latvia's Constitutional Court, contending that a special law to fast-track such projects was unconstitutional.

Bankwatch also published a briefing showing that no new permanent liquified fossil gas infrastructure was needed in the Baltic region.

Campaigners continue to fight for a transition to renewable energy rather than more fossil gas, calling for further cooperation in the Baltics to achieve this.

Read more

[Latvia abandons plans for controversial LNG terminal but still needs to ditch fossil gas](#)

[LNG rush threatens Baltic energy transition](#)



Photo: Niklāvs Kadiķis

Rights, democracy and development

All too often, public investments result in the violation of human rights or the marginalisation of affected communities. We expose cases where development banks fail to protect those impacted by their projects and advocate for participation and consultation processes that are not pro-forma exercises, but a tool to ensure people's well-being.

Where we made a difference

More transparency for fairer investments

The European Ombudsman has once again criticised the European Investment Bank for its lack of transparency, a decision that came following a Bankwatch complaint.

The European Investment Bank refused to disclose environmental information to Bankwatch about a 2022 loan made to an energy utility in Poland. Citing its transparency policy, the Bank claimed that it was prevented from disclosing the information because it had signed an agreement to protect the commercial interests of its client.

However, the European Ombudsman said that the Bank had to improve its transparency practices. It advised that when handling requests to access information, the Bank

should consider overriding public interests and inform its clients that broad access to EU documents should be granted to the public.

Refusing to provide documents should be the exception rather than the rule and must be in strictly in line with the Bank's transparency policy, justified based on specific and actual explanations of reasonably foreseeable risks of damage rather than hypothetical scenarios.

This is not the first time the Ombudsman has criticised the EIB's transparency rules. In 2022, the Ombudsman issued three decisions requiring the Bank to increase transparency in its information disclosure following

complaints from Bankwatch, ClientEarth and Counter Balance. Of the several improvements recommended, none has been implemented to date.

Read more

[European Ombudsman urges European Investment Bank to enhance transparency – once again!](#)

Standing up for nature, history and culture in Georgia

After years of Bankwatch and member group Green Alternative (Georgia) speaking out about the destructive highway construction in Georgia's beautiful and culturally significant Khada Valley, review bodies at the Asian Development Bank and the European Bank for Reconstruction and Development released reports in 2023 condemning the banks' failures to protect the valley.

The Asian Development Bank's Compliance Review Panel report confirmed that Bank's management did not conduct proper due diligence, including on the construction's impacts on the physical-cultural resources and cultural dimensions of the landscape.

These findings were echoed by the European Bank for Reconstruction and Development's Independent Project Accountability Mechanism, which stated that the Bank failed to verify that the project had an up-to-date cultural heritage study to assess impacts. It also failed to identify appropriate stakeholders and did not ensure a meaningful public consultation process.

Bankwatch is working with the Asian Development Bank to ensure that it proposes mitigation and remedial

action plans and finalises a historical and cultural reference plan, designed to minimise the impacts of the project on the valley and safeguard its future sustainable development.

Read more

[The Georgian Road to Russia: when everything goes south](#)



Finance and biodiversity

Despite efforts to protect and conserve nature, massive amounts of public money continue to flow to infrastructure projects with devastating impacts. Our work where finance meets the natural world advocates for adequate protection and restoration projects to ensure a green future for all.

Where we made a difference

In defense of nature

In March 2023, Bankwatch and Austrian environmental organisation ÖKOBÜRO brought a court case to the European Court of Justice in a fight to uphold EU environmental law and public consultation requirements when building renewable energy facilities.

We argued that the EU's 2022 emergency regulation on renewable energy permitting was adopted without any involvement of either the public or the European Parliament, undermining provisions of both environmental law and public participation principles. We claimed that this breaches EU and international law.

In order to both speed up renewables and protect the climate, Bankwatch argued, we have to take greater

care to do things right the first time. Although the regulation contains useful provisions to speed up small-scale solar and heat pump installations, other parts of it undermine existing environmental law and public consultation requirements.

For example, the new regulation would allow renewable energy developments in designated areas to go forward without a project-level assessment or public consultation, if a more general assessment was done. This would also apply to damaging hydropower and biomass projects.

Bankwatch is still waiting for the results.

Read more

[Environmental groups challenge backdoor dismantling of EU nature safeguards](#)



Photo: MortenChr via iStock

Funding the energy transformation

To address the climate crisis, Europe is investing in upgrading its energy systems – especially in central and eastern Europe. We work to ensure that EU financial flows address the climate crisis and do no harm to people and nature by involving the public in the design and spending of EU investments.

Where we made a difference

Campaigners on the case of REPowerEU

REPowerEU is the EU’s plan to help Member States address the energy crisis through diversification of supply, increasing renewables, and improved energy efficiency. In 2023, our monitoring took off in earnest. Starting in spring 2023, each EU country prepared a new chapter for its recovery and resilience plan to detail how it will use REPowerEU funds, and our campaigners were following every step of the way.

Non-governmental organisations in many countries, such as Slovakia, the Czech Republic, and Poland, were able to propose recommendations for these plans. Proposals for concrete measures were often well received by both government ministries and the European Commission. In Poland, for example,

80 per cent of our recommendations for increasing energy efficiency and shrinking gas investments were taken on board.

Our campaigners have also been active participants of the official committees set up to monitor EU funds in their countries. Advocacy meetings with local, national and EU decision makers are a key part of this. In 2023, we organised two lobby weeks to Brussels, helping to strengthen our connection and collaboration with policy makers.

Read more

[REPowerEU: A closing window for energy democratisation](#)

[Repower communities – not fossil fuels. Analysis of the revised national recovery and resilience plans of 15 Member States](#)



Photo: Canva

Bankwatch to the people: webinars and virtual tours

Our impact is not only at the level of policy makers: in 2023, Bankwatch brought our work to the people through engaging, interactive methods of communication.

We held a monthly webinar series, Navigating the just transition, which covered topics such as transforming Ukraine's energy system, youth participation, and gender inclusion. It brought experts and stakeholders together and helped build the capacity of local authorities in just transition regions and other progressive authorities.

The Citizens' Observatory for Green Deal Financing, which Bankwatch is a leading member of, also introduced a new multimedia advocacy format to raise awareness about unsustainable investments: the virtual tour. These videos of cases throughout central and eastern Europe show how transformative EU-funded projects can be. They covered energy communities in

Poland, water retention in Hungary, energy poverty in Bulgaria, and biodiversity versus renewable energy in Estonia. These four virtual tours reached more than 200,000 people on social media.

Read more

[Just transition webinars](#)

[Citizens' Observatory Virtual Tours](#)



Photo: Margaret Mäses, virtual tour 'Biodiversity and renewable energy: what can go wrong?'

Cities for People

Investments in cities can help fight climate change but may fall short if not well planned. When investing in cities, international financial institutions can set an example by making sure their climate adaptation and mitigation projects put people first. We advocate for cities that are not only green and sustainable, but also more accessible, just and livable.

Where we made a difference

Wins for city residents

In 2023, Bankwatch continued to support our members and partner groups in Tbilisi, Yerevan, Belgrade, Sarajevo, Samarkand and Bishkek, and led advocacy for better targeted investments for the reconstruction and resilience of Ukrainian cities and communities.

In a major success, Bankwatch research uncovered that Russian company Metrowagonmash, which has links to Russia's defence industry, was supposed to supply the Tbilisi metro with new metro cars in a project funded by the European Bank for Reconstruction and Development. This raised concerns that international development finance would end up in the pockets of Kremlin affiliates.

After successful advocacy with the EBRD and its key shareholders, in May Metrowagonmash was put under international sanctions and dropped from the project. The sanctions have a much wider impact, as other cities had to find alternative suppliers as well. In July, Sofia Metropolitén (Bulgaria) announced that it is saying farewell to its 'Russian lines' and now procuring trains from European companies.

In Serbia, a lengthy mediation process on the European Bank for Reconstruction and Development's new landfill and waste incineration project in Belgrade, which displaced communities and destroyed their livelihoods, finally came to an end. An agreement was signed in

July by the parties, including the City of Belgrade, private company Beo Čista Energija, Bankwatch and complainants.

Seventeen Roma households received adequate housing, including newly built family houses in the town of Vladimirci, and debt cancellation for accumulated utility bills for households in Belgrade. Lessons learned from Belgrade on livelihood restoration for informal waste pickers have now been applied to the Bank-financed Serbia Solid Waste Programme.

Read more

[EBRD funds channelled to Kremlin affiliates](#)

Our funders

We thank each of our donors, past and present, for making our work possible and for their trust and confidence in the job we do to bring international finance to account.

Assets	EUR
Fixed Assets	2 366
Claims	404 464
Cash in Hand	0
Bank Accounts	1 089 806
Valuables	0
Interperiod Active Clearances	1 641
TOTAL ASSETS	1 498 277

Liabilities	EUR
Reserve Fund	178 559
Grant Fund	915 418
Committed Transfers	256 037
Accumulated Financial Result	-96 040
Short Term Liabilities	231 971
Interperiod Passive Clearances	12 332
TOTAL LIABILITIES	1 498 277

Income	EUR
European Commission	1 116 906
European Climate Foundation	1 000 188
Swedish International Development Agency	913 363
German Ministry of Environment	348 253
Foundation Open Society Institute	174 630
Various	103 461
Partners cofinancing	70 364
Schwab Charitable Fund	67 118
WWF Adria	42 383
Bread for the World	41 227
EuroNatur Foundation	34 143
TOTAL INCOME	3 912 038

Expenditures	EUR
Salaries	2 147 056
Running costs	151 878
Travel and meetings	305 469
Equipment	19 301
Consultants and legal assistance	138 452
Publications	64 795
Network overheads	79 506
Support for partners	1 005 581
TOTAL EXPENDITURES	3 912 038

* from foreign currencies booked in CZK and then recalculated to EUR



We will continue to advocate for better financing so that nature and society can thrive. Thank you for supporting and joining us in taking action for a better world.

— **Mark Martin**, executive director



In the Finance and Biodiversity Strategic Area, we focus on ensuring projects that are harmful to nature and biodiversity are not being financed and implemented, but also on supporting biodiversity positive projects and developments that help to tackle the biodiversity crisis we are facing right now. However, this will not be possible without a significant amount of financing dedicated specifically to nature and biodiversity. We need to put biodiversity high on the agenda, not only in the EU but also in the countries of the Western Balkans where a lot of nature is still in pristine conditions.

— **Branka Spanicek**, strategic area leader, Finance and Biodiversity



2023 had it all: energy insecurity, escalating living costs, regional conflicts, all on top of the climate emergency. We must remember the main culprit is the continent's reliance on fossil fuels. While making some incremental steps in the right direction, we are still far from our climate neutrality 2050 goal and must pick up the pace in fossil fuels divestment.

— **Ioana Ciuta**, strategic area leader, Beyond Fossil Fuels

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