April 25, 2014

Sir Suma Chakrabarti
President, EBRD
One Exchange Square
London EC2A 2JN
United Kingdom

Dear Sir Suma,

As human rights and accountability organizations, we write to express our serious concern that the draft revised Environment and Social Policy of the European Bank for Reconstruction and Development (EBRD) weakens the Bank’s existing safeguards on human rights. We urge you to revise the draft policy to address this shortcoming before sending the proposed policy to the Board for approval.

The Agreement Establishing the EBRD commits the Bank to fundamental principles including the rule of law and respect for human rights. However, the draft policy takes several steps back from the Bank’s existing human rights commitments. Significantly, it eliminates language present in the current policy which states that the “EBRD will not knowingly finance projects that would contravene country obligations under relevant international treaties and agreements related to environmental protection, human rights, and sustainable development…..” Instead, the draft commits the Bank only to, “where appropriate, seek to structure the projects it finances” to be guided by relevant principles and substantive requirements of EU and international law.

Please find attached our joint submission to the consultation on the revised policy, which addresses all of the draft’s good governance policies. Other concerns articulated in the submission include:

- The draft policy recognizes the responsibility of business to respect human rights, but it does not actually require the Bank’s business clients to live up to this responsibility.
- The draft policy does not require human rights due diligence to ensure that the Bank does not support activities that will cause, contribute to, or exacerbate human rights abuses. Environmental and social impact assessments, to which the draft policy refers, rarely identify, assess, or address the full range of impacts on human rights that a project is likely to have. This shortfall has been recognized by, among others, the UN Special Representative of the Secretary-General on Business and Human Rights, illustrating the importance of expressly requiring analysis of human rights impact.
- The draft policy provides that the Bank would not knowingly finance projects involving forced evictions contrary to international human rights standards, but it does not require the Bank to take all necessary steps to become aware of potential forced evictions associated with projects that it supports, and its requirements in relation to resettlement are inadequate.
In addition, as the Bank reviews its other policies, we note that:

- The draft Public Information Policy does not commit the Bank to disclose information on social and environmental appraisals of projects, because the presumption of transparency is undermined by an overly wide description of confidentiality, which would prevent disclosure in many cases.
- The window of opportunity for people negatively affected by Bank projects to make formal complaints is far too limited, thereby weakening the Bank’s accountability and supervision of the safeguards’ implementation.

This policy review is an opportunity for the EBRD to strengthen and enhance operationalization of its human rights commitments. However, as it stands the draft environmental and social policy jeopardizes the Bank’s integrity as an institution genuinely committed to the values embedded in the Preamble to the Agreement Establishing the EBRD.

Thank you for your consideration of these issues. We look forward to your response. We would also welcome the opportunity to discuss these issues with you further. Should you have any questions, please do not hesitate to contact Jessica Evans, senior advocate and researcher on international financial institutions at Human Rights Watch, at +1 917-930-7763 or evansj@hrw.org, or Ashfaq Khalfan, researcher/advisor on obligations beyond borders at Amnesty International, at +44 203-036-5496 or akhalfan@amnesty.org.

Sincerely,

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