

January 31, 2015

Sir Suma Chakrabarti  
President, European Bank for Reconstruction and Development (EBRD)  
One Exchange Square  
London EC2A 2JN  
United Kingdom

**Re: Project Complaint Mechanism (PCM) Officer Hiring Process**

Dear President Chakrabarti:

As organizations that focus on accountability and integrity at international financial institutions, we are writing to express our concerns regarding the hiring process for the PCM Officer position. A number of troubling issues about this process have come to our attention, which we believe will undermine the independence and effectiveness of the PCM as an accountability mechanism if not addressed.

According to the PCM's Rules of Procedure, a committee that consists of members who are internal and external to the EBRD should review applications and nominate the PCM Officer.<sup>1</sup> However, none of us were consulted about serving on the committee, and we understand that there are no civil society organizations represented on the committee.<sup>2</sup> Civil society involvement is critical to ensuring that all stakeholders have a voice in the hiring process and that the mechanism retains its credibility and independence. We request that the committee include a civil society representative in this important process.

In addition, the vacancy announcement for the PCM Officer position undermines the independence of the PCM by stating that the PCM Officer "reports to the Chief Compliance Officer,"<sup>3</sup> without any qualification that he or she reports to the Chief Compliance Officer on administrative matters only.<sup>4</sup> This language is misleading because it fails to state that the PCM Officer reports first to the President and the Board of Directors on substantive matters, including on the outcomes of compliance and problem-solving activities.<sup>5</sup> Furthermore, the fact that the Office of the Chief Compliance Officer advises senior EBRD management creates potential

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<sup>1</sup> The Rules state that "[t]he PCM Officer will be nominated by a committee and appointed by the President. The nomination committee will comprise five members, both internal and external to the Bank, and will solicit nominations for the position of PCM Officer through a transparent process." EBRD, *Project Complaint Mechanism Rules of Procedure*, May 7, 2014, para. 57, available at <http://www.ebrd.com/downloads/integrity/pcmrules.pdf>.

<sup>2</sup> This is in marked contrast to the recent hiring of new PCM Experts, where the nomination committee included at least one representative of civil society. See *Project Complaint Mechanism Rules of Procedure*, at para. 50.

<sup>3</sup> EBRD Jobs, Job Details - Project Complaint Mechanism Officer, [http://www.ebrdjobs.com/fe/tpl\\_ebrd01.asp?s=4A515F4E5A565B1A&jobid=110702,2351219887&key=14838761&c=219560025661&pagestamp=sexfvuctjylbiwrojh](http://www.ebrdjobs.com/fe/tpl_ebrd01.asp?s=4A515F4E5A565B1A&jobid=110702,2351219887&key=14838761&c=219560025661&pagestamp=sexfvuctjylbiwrojh) (last visited Jan. 22, 2015).

<sup>4</sup> See *Project Complaint Mechanism Rules of Procedure*, at para. 48 (stating that the role of the Chief Compliance Officer "is limited to ensuring that the PCM Officer carries out the PCM functions and administrative responsibilities according to these rules of procedures [sic].").

<sup>5</sup> See *id.*, e.g., paras. 39, 46, 47, 56, 66.

conflicts of interest if the lines of reporting for the PCM Officer are blurred. We recommend that the announcement be revised in order to clarify the proper reporting structure of the PCM Officer.

Thank you for your attention to our concerns. We look forward to hearing your responses about the hiring process, and we hope to further engage with you in order to strengthen the independence and effectiveness of the PCM.

Sincerely,

Kindra Mohr  
Accountability Counsel, USA

Karen Stauss  
Free the Slaves, USA

Huub Scheele  
Both ENDS, Netherlands

Andy Whitmore  
Indigenous Peoples Links (PIPLinks),  
United Kingdom

Fidanka Bacheva-McGrath  
CEE Bankwatch Network, Czech Republic

Maurice Ouma Odhiambo  
Jamaa Resource Initiatives, Kenya

Carla García Zendejas  
Center for International Environmental Law  
(CIEL), USA

Richard Solly  
London Mining Network, United Kingdom

Kristen Genovese  
Centre for Research on Multinational  
Corporations (SOMO), Netherlands

Aly Marie Sagne  
Lumière Synergie pour le Développement,  
Senegal

Inga Zarafayn  
EcoLur Informational NGO, Armenia

Mirvari Gahramanli  
Oil Workers' Rights Protection Organization  
Public Union, Azerbaijan

Juan Martín Carballo  
Foundation for the Development of Sustainable  
Policies (FUNDEPS), Argentina

Ahmad M. Awad  
Phenix Center for Economic Studies, Jordan

cc: EBRD Board of Directors; Lisa Rosen, EBRD Chief Compliance Officer