

EBRD and the Espoo Convention: an IFI Perspective

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European Bank
for Reconstruction and Development

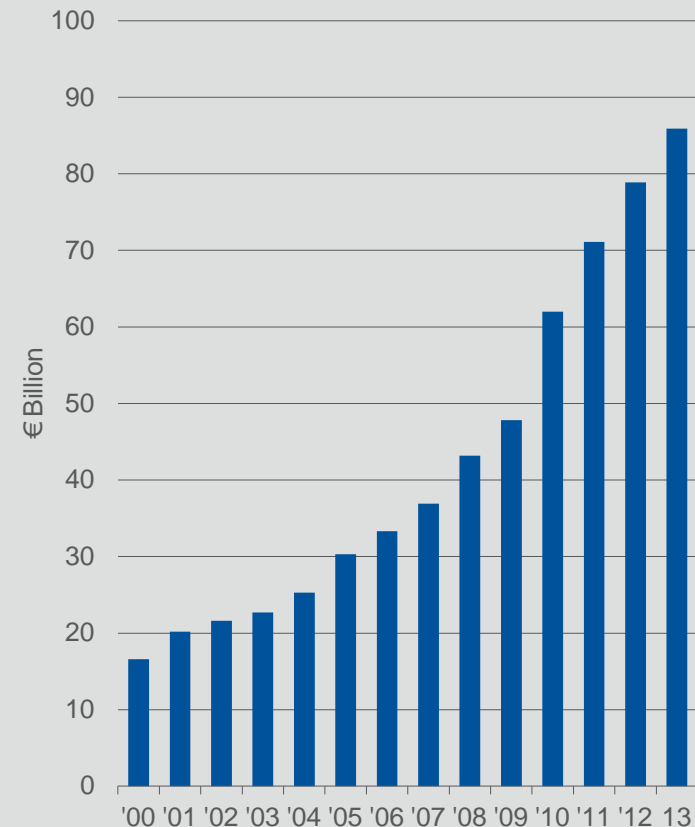
What is the EBRD?



European Bank
for Reconstruction and Development

- International financial institution
- Promotes transition to market economies in 34 countries from central Europe to central Asia
- Owned by 64 countries and two inter-governmental institutions
- Capital base of €30 billion

Cumulative business volume of
€86 billion



Note: Unaudited as at 31 December 2013

EBRD countries of operation

- **1991:** Central and Eastern Europe and Soviet Union 1991 Espoo
 - **1992:** Armenia, Azerbaijan, Belarus, Estonia, Georgia, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Moldova, Russia, Tajikistan, Turkmenistan, Ukraine, Uzbekistan
 - **1993:** Czech Republic (graduated 2007), Slovak Republic
 - **2001:** Bosnia & Herzegovina, Croatia, Macedonia, Montenegro, Serbia, Slovenia
 - **2008:** Mongolia
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- **2009:** Turkey 2011 MoP
 - **2012:** Kosovo
 - **2012-13:** Southern and Eastern Mediterranean (SEMED): Morocco, Tunisia, Jordan—recipient status; Egypt—special funds status
 - **2014:** Cyprus granted temporary recipient status; Libya joined Bank



- Commitment to EU Environmental Standards, where they can be applied at the project level
- General commitment to international conventions and treaties
- Specific commitment to spirit and principles of the Espoo Convention, regardless of status of ratification

- **One goal—to reduce examples, tighten up the text**
- **Removal of lists, such as lists of conventions**
- **Commitment to EU standards is a core requirement, so separate reference to UNECE Espoo and Aarhus Conventions were omitted**
- **EBRD applies policy across region, so the statement regarding status of ratification was also omitted**



Commitment to Espoo Convention had not changed—it would have been implemented in accordance with commitment to the EU EIA Directive, which EBRD applies, regardless of geographical location/ratification

Perception was that the policy was being downgraded.



- **Concerns raised at each of the public meetings in 7 countries**
- **Civil Society did not like the proposed changes**
- **Raised extensively in written comments**
- **Raised by Convention Secretariats**
- **Raised by some Shareholders**

Consultation demonstrated the need to articulate commitments:

- General commitment to obligations under international conventions and**
- Specific commitment to Espoo and Aarhus Conventions**

8. ... recognises the ratification of international environmental and social agreements, treaties and conventions by its countries of operations.
 - ... guided by the relevant principles and substantive requirements of international law.
 - ... will not knowingly finance projects that would contravene country obligations under relevant international treaties and agreements...

34. (EIA/transboundary) ...the approach of the UNECE Convention on Environmental Impact Assessment in a Transboundary Context
 - ... regardless of geographical location of a project or its potential impacts.

- Several projects a year bring up transboundary issues.
- For some, no technical evidence of transboundary impacts. Notification is done to provide information and reassurance to neighbouring countries.
- Some countries border disputed territories or where the neighbouring country is in significant political and/or civil unrest. Not always clear who one should notify, and the implications of notifying.
- Occasionally necessary to notify through third parties where all governments are members, such as regional environmental programmes.
- Ongoing discussion with Secretariat about the interaction between international financial institutions and UNECE Conventions

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