EBRD and the Espoo Convention: an IFI Perspective

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What is the EBRD?

- 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
- **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
- **2009**: Turkey
- **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
2013 Drafting a policy revision

• 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.
Consultation

• 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.
Espoo Implementation

• 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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