



## **For Immediate Release**

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## **Civil society groups express great concern over BRICS Bank**

*Call for transparency and robust social and environmental protections*

As government ministers from Brazil, Russia, India, China and South Africa gather in Washington, DC for the third board of governors meeting of the BRICS New Development Bank (NDB) April 13 and 14, civil society groups in BRICS countries appealed to their governments and NDB management to operate transparently and to work with civil society to develop adequate social and environmental standards.

In an April 4<sup>th</sup> letter to Bank officials, the groups stressed concern that the Bank is operating without meaningful engagement with civil society and appears to be selecting projects without the necessary policy framework to identify social and environmental risks and prevent harm. **“As civil society groups, we are definitely concerned, as so far, we have absolutely no idea what the various policies of the Bank are regarding project selection and criteria,”** explained Srinivas Krishnaswamy, Director, Vasudha Foundation, India. **“We do hope that the NDB operates in a more transparent and inclusive manner, and in line with the overall theme of this year’s BRICS Summit – ‘Building Responsive, Inclusive, and Collective Solutions.’”**

The Bank, which plans to finance infrastructure and sustainable development activities in BRICS countries and in other developing and emerging economy countries has declined requests to meet with civil society representatives prior to the Board of governors meeting. **“This is an unhappy beginning for a development institution,”** stated Bonita Meyersfeld Director of the Centre for Applied Legal Studies at the University of the Witwatersrand, South Africa. **“Given the hope and aspirations of the BRICS NDB to advance economic development of the BRICS states, it is seminal that it embrace the transparency, openness and commitment to human rights indispensable to stable and sustainable investment projects.”**

In the letter, groups called on the NDB and their national governments to ensure that a robust policy framework is developed through meaningful consultation with civil society prior to approval of project loans. **“Infrastructure projects, even those deemed sustainable, can generate adverse impacts, and thus should be subject to environmental and social assessment prior to their**

**approval, as well as supervision and management throughout implementation,” explained Caio Borges, a lawyer with the Brazilian organization, Conectas Direitos Humanos. “If the NDB wants to develop a new approach to environmental and social impact assessment, it should do so by learning from past experiences of other multilateral development banks and listening to different perspectives, not by undermining social participation in this stage of policy development.”**

**“Transparency is like a road marking on the path to sustainable development. Locals have to know which projects may come and which effects may emerge and last.”** said Alexander Kolotov, Director of the Russian Krasnoyarsk regional public environmental organization, Plotina. **“These shouldn’t be surprises - the local communities to be potentially affected should receive all necessary information in advance.”**

*April 4 letter to NDB:*

KV Kamath, President  
New Development Bank  
8th Floor, China Financial Information Center  
18 Dongyuan Road, Pudong  
Shanghai - 200120  
China

cc: NDB Governors: Nelson Henrique Barbosa Filho, Anton Siluanov, Arun Jaitley, Lou Jiwei, Pravin Jamnadas Gordhan; NDB Directors: Luis Antonio Balduino Carneiro, Sergei Storchak, Dinesh Sharma, Zhijun Cheng, Tito Mboweni; NDB Senior Management: Paulo Nogueira Batista Jr.; Vladimir Savelievich Kazbekov, Xian Zhu, Leslie Maasdorp

April 4, 2016

Dear Mr. KV Kamath;

Considering the upcoming meetings of the New Development Bank (NDB) Board of Directors and Governors scheduled for April 13 and 14 in Washington, DC and the reports that during these meetings the bank will be approving actual projects for financing, we wish to highlight the importance of the NDB establishing a robust social and environmental framework, consistent with international human rights and environmental standards in order to ensure that the bank’s lending is socially and environmentally sustainable.

Additionally, as established in its Articles of Agreement, Article 15 - Transparency and Accountability, the NDB “shall ensure that its proceedings are transparent and shall elaborate in its own Rules of Procedure specific provisions regarding access to its documents.”

It is therefore imperative that robust operational policies dealing with social and environmental management, transparency, and accountability are in place prior to project selection and disbursements. We are deeply concerned that the Bank is operating without meaningful engagement with civil society and appears to be selecting projects without the necessary policy framework to identify social and environmental risks and prevent harm. We are additionally concerned that the Bank's plans to fast-track loan approval may come at the expense of necessary due diligence.

We emphasize that while the NDB plans to invest in sustainable development, policy directives are required to define what sustainability entails. Furthermore, even projects that are deemed socially and environmentally friendly, such as wind power plants, can generate adverse impacts and thus should be subject to environmental and social impact assessment prior to their approval as well as supervision and management throughout implementation.

We call upon the NDB and our national representatives to ensure that a robust policy framework is developed through a meaningful consultation process with civil society and that all operational policies are disclosed.

We additionally call upon the Bank and our national representatives to open a meaningful process of dialogue, including by meeting with civil society in each BRICS country.

Finally, given the Bank's upcoming meetings in Washington, and taking advantage of the fact that several civil society organizations from BRICS countries will be there during that time, we kindly request the Board of Directors meet with us to share information and discuss how to advance a meaningful dialogue with civil society.

We kindly await your response to this important matter.

Sincerely,

Juana Kweitel, Program Director  
Conectas Direitos Humanos, Brazil

Alexander Kolotov, Director  
Krasnoyarsk regional public environmental organization "Plotina", Russia

Srinivas Krishnaswamy, Director  
Vasudha Foundation, India

Dr. Yu Xiaogang, Director  
Greenwatershed, China

Prof. Bonita Meyersfeld, Director  
Centre for Applied Legal Studies, University of the Witwatersrand, South Africa