BANKWATCH ANNUAL REPORT 2012

SOME BIG BANKWATCH WINS IN 2012

Across the full range of our work programme and in a variety of settings – whether it be working with local communities or targeting our advocacy towards decision-makers in Brussels – we notched up a number of notable achievements in 2012. As detailed below, some of these had an immediate effect, while others will have positive implications for people and the environment in central and eastern Europe for some time to come.

TWENTY PERCENT OF THE NEXT EU BUDGET WILL GO TO CLIMATE ACTION

Amidst much high-level squabbling over reducing the overall size of the 2014-2020 EU Budget, one important figure escaped the axe when EU leaders finally struck a deal on the seven year budget. There will be a 20 percent mainstreaming of climate action across the entire, approximately EUR 950 billion EU Budget, thanks in no small measure to the concerted campaigning and advocacy of Bankwatch and our coalition partners throughout the year.

Within this, our call to increase the earmarking for 'low-carbon measures' under the European Regional Development Fund (a crucial funding line for the EU's eastern member states) from six percent to 12-15 percent will significantly steer future EU funding in our region towards energy efficiency, renewable energy, SMART grids and sustainable urban development. Another victory in the EU Budget battle resulted from further advocacy work – we helped to convince an influential European Parliament committee not to allow support for fossil fuel infrastructure from the regional development funds.

INTERNATIONAL DEVELOPMENT FINANCE PLANS MODIFIED FOR MONSANTO

Within days of the loan plans first appearing on the EBRD website, Bankwatch mobilised hundreds of NGOs across Europe to pressure the bank to reconsider a USD 40 million loan to Monsanto, the world's largest seed producer and one of the most prominent promoters of genetically modified crops. The multinational had been aiming to expand its operations to Turkey, Ukraine and the Western Balkans – after a letter to the EBRD from 158 organisations, a demonstration in Serbia and parliamentary questions raised in Germany and Slovenia, the EBRD dropped the project.

NO NEW EBRD OR EIB SUPPORT FOR COAL PLANTS IN POLAND

Although Poland cemented its reputation in 2012 as the greatest impediment to European efforts aimed at tackling climate change, no new Polish coal-fired power plants were financed directly in 2012 by the EBRD or the EIB, and both banks stated clearly that they are not considering funding for the Polnoc power plant. As a result of legal challenges and a major campaign from the Polish and international anti-coal coalitions, with Bankwatch campaigners playing a central role, a court decision put this controversial project on hold. We're hoping this high profile case can help persuade the EBRD and EIB to pull out of coal projects as they set about reviewing their respective energy policies in 2013.

BANKWATCH REPORT HELPS SWAY KYRGYZ PARLIAMENT ON KUMTOR GOLD MINE – VICTORY FOR ENVIRONMENTAL PROTECTION

The Kyrgyz government and parliament paid heed to findings and concerns raised by a Bankwatch-commissioned report that the Kumtor gold mine, operated by the Canadian Centerra Gold Corporation and financially supported by the EBRD, poses serious threats to livelihoods and the environment, including causing the melting of two glaciers in the area. The parliament subsequently voted to renegotiate the terms of the Kumtor contract with the Canadian mining company, an outcome that should ensure far greater environmental oversight as Centerra seeks to expand its exploitation in the region, with yet more glaciers under threat.

PLANS FOR ANOTHER CZECH WASTE INCINERATOR UP IN SMOKE

In recent years, thanks to tireless campaigning efforts from our Czech member group Hnuti Duha-Friends of the Earth, we've made a habit of squashing major unsustainable incinerator investments in the Czech Republic that have been seeking EU support, and thus draining essential public money flows for waste prevention and recycling. 2012 saw the abandonment of plans to develop the GBP 185 million Karvina municipal waste incinerator with support from the EU funds. As a result of local community opposition that we are always keen to support, other such projects in the country are facing delays in their implementation. The challenge remains to wean the Czech authorities off their long-term preference for incinerators and promote a shift to popular, sustainable waste management practices. Preventing EU funding support from – literally – going up in smoke in the Czech Republic and elsewhere in our region remains a key Bankwatch objective.

LETTER FROM BANKWATCH'S EXECUTIVE DIRECTOR

"Climate change," warned a communiqué released at a recent G8 summit, "is one of the foremost challenges." Strikingly, however, this warning merited inclusion only as point 56 on page 14 of the document. The world's leaders are certainly talking about climate change, but how much of a priority is the number one threat to our civilisation and way of life? Still not a very big one, alas, if you view actions as speaking louder than words.

This unfortunate predicament is something that Bankwatch and our partners around the world are having to contend with and challenge every day in our work. Indeed we are feeling the effects of climate change now in our own backyard. I write this in Hungary where already this year we've had the hottest weather on record in March, swiftly giving way to huge snow storms. And of course May witnessed the most serious flooding in our history along the course of the Danube.

The climate is changing. But are our target institutions doing so too in recognition of the challenge? The picture is decidedly mixed, though I consider that the strategic direction and focuses that Bankwatch opted to take on in 2011 were very well chosen and leave us well placed to help achieve the necessary advances in climate financing.

Take our work in 2012 on the future EU Budget for 2014-2020. Concerted advocacy and media work helped to achieve a breakthrough spending figure for climate action. Despite budget negotiations that revolved primarily around a 'cuts' agenda, EU leaders finally agreed to commit 20 percent of the overall budget for the next seven years to green spending.

An important factor in forcibly making the case for more environmental ambition in the budget was our ongoing involvement in the Green 10 NGO coalition. Bankwatch has been a part of this grouping, along with other major environmental groups active at the Brussels level, for some years now. We coordinated the Green 10's EU Budget work and with our partners made the most of high level access to key decision-makers in the European Parliament, the Commission and in EU capitals.

Of course, the budget story doesn't end here. Our EU team is now engaging in the 'business end' of the process, where the individual member states are deciding how to carve up their respective parts of the budget pie. Our emphasis will be on ensuring that the headline 20 percent figure does get translated into effective projects and initiatives that can help fight climate change, create sustainable jobs and generally improve quality of life for everyone living in our region.

2012 saw our two target banks, the EBRD and EIB, desisting from backing any new coal-fired power plants – though both did continue to finance other climate-busting investment projects such as oil and gas related infrastructure and airports. Further coal and fossil fuel investments from the two public banks cannot be ruled out. This is why their reviews of their respective energy policies in 2013 are so crucial – and so uppermost in our strategy and thinking.

Preparations and coalition-building necessary to engage in these two energy policy reviews were thus central to the work of our EBRD and EIB teams in 2012. With major international bodies such as the International Energy Agency and the IMF now regularly sounding the alarm about the perverse logic of fossil fuel subsidies, we aim to persuade the banks that now is most definitely the time to say no to fossil fuel lending and to allow their sustainable energy lending to fully breathe and flourish.

It may sound like a no-brainer but we expect resistance from the bankers – and this is why the ongoing support of our funders and other partners is so important, and so much appreciated.

I would finally like to doff my cap to an amazing achievement racked up in 2012 by just one of those partners – the award of the Goldman Environmental Prize to Evgenia Chirikova for her courage and forthrightness in standing up for environmental and social rights in the Khimki Forest in Moscow. Several years ago we witnessed a young woman address seemingly unperturbed bank staff at the EBRD annual meeting about the bank's potential backing for the road project. The bank pulled out of the project, but Evgenia's struggles with the Russian authorities and vested interests continue.

We salute her bravery and that of other environmental campaigners in our region as we commit ourselves also to the ongoing fight for environmental and social justice.

Mark Fodor, Executive director

WHO WE ARE AND WHERE WE WORK

Bankwatch is its member groups and, as depicted here, we currently have member group presence in 13 countries across central and eastern Europe. We also partner with other non-profit groups and communities, in particular in central Asia and the Caspian region.

CEE Bankwatch Network works across the central and eastern European region to monitor the activities of international financial institutions and propose constructive environmental and social alternatives to the policies and projects they support.

EBRD CAMPAIGN

REALITY, CLIMATE CHANGE AND GLOBAL ATTENTION IS CATCHING UP ON THE 'SUSTAINABLE ENERGY' BANK

In the famous words of American baseball legend Yogi Berra: "In theory there is no difference between theory and practice. In practice there is." Based on Bankwatch's experiences in 2012, Berra could well have been referring to the European Bank for Reconstruction and Development.

At the most fundamental level of our engagement with the EBRD, on climate change-related energy investments, the bank was able to ride the crest of a wave as a result of a carefully crafted construct, a fine piece of theory if you like: its Sustainable Energy Initiative (SEI). Via the SEI, the EBRD has for several years now been directing a considerable amount of its energy lending to renewable energy and energy efficiency.

This focus on the SEI has not, however, diverted EBRD resources away from support for fossil fuel projects – indeed, all the indications are that the current review of the EBRD energy policy to be concluded in 2013 will see the bank reaffirm its commitment to providing financial support to the climate-damaging fossil fuel sector, including extending the scope of this support to emerging dirty resources such as shale gas. And all of this despite growing political and global institutional calls for fossil fuel subsidies to end now if the challenge of climate change is not to become, in the very near future, completely unwinnable.

Yet, on a practical level, what is most mystifying about the EBRD's much vaunted SEI is that 'climate-contrary' investments (quite a number of them in fact) can be included under its 'sustainable' tag. Thus, as part of EBRD 'sustainable energy' theory, supporting improvements to a new coal-fired power plant's energy efficiency merits a tick and inclusion under its SEI accounting, even as it locks in up to four decades of substantial carbon emissions with negative implications for EU climate goals.

The most startling example of this is the lignite-fired Sostanj Unit 6 project in Slovenia that, despite our best efforts working alongside local and international groups, finally received several hundred million euros from the EBRD. Part of our campaigning on Sostanj in 2012 has, though, exposed the often heard EBRD claim that it conducts first class due diligence across its portfolio: concerns about corrupt practices during the tendering process for Sostanj 6 were addressed to the European anti-corruption agency OLAF, that then opted to open an investigation – the conclusion of which is still pending.

Another international body has, quite without precedent, been taking an interest in another major EBRD-backed project that we worked on intensively in 2012 in tandem with international partners – and the sensation that what you see or hear from the EBRD about its investments is not what you get was, once again, very much to the fore.

In Kiev's freezing December temperatures, Bankwatch and Greenpeace directly addressed the EBRD's consideration of a EUR 300 million 'nuclear safety' loan for ageing Ukrainian reactors. We dropped a banner and staged a demo outside the bank's national office – with the immediate impact being to delay a pending EBRD board decision on the controversial loan.

Controversial because, as Bankwatch and other groups pointed out, the EBRD is not mandated to finance nuclear expansion projects. Yet, despite the 'safety' narrative being touted by the bank, an expert analysis published in 2012 laid bare how some technical measures to be financed by the EBRD loan – and an associated loan from Euratom – would only be required if the lifetime of the reactors was to be expanded.

Despite delaying the loan decision, the EBRD subsequently agreed to the loan. Yet in a landmark ruling in early 2013, the Implementation Commission of the United Nations Espoo Convention deemed that Ukraine's plans to expand the lifetime of its old nuclear reactors is in breach of the convention, which Ukraine has been a party to since 1999.

Where this will now lead is unclear. But Bankwatch believes that a so-called 'responsible investor' such as the EBRD should halt the disbursement of its loan in light of the circumstances identified by the UN Espoo Convention.

It is becoming increasingly clear, then, that the EBRD is operating within – to be charitable – grey areas, where what it says it is doing on paper (or on its website) does not tally with the reality. This is also becoming increasingly apparent to many influential bodies and observers. With our longstanding experience of the institution, and its ways and means, we feel that our messages communicating what is really going on at the EBRD are making an impression.

Within the European Parliament, where we focus a lot of our advocacy, the EBRD is now on the radar of many parliamentarians concerned about how the bank – more than 60 percent owned by EU states – is simultaneously making a positive impact on climate change yet undercutting these efforts with its continued support for fossil fuels and unsustainable energy.

If the EBRD chooses to continue down this path – its stated interest in shale gas being a developing concern – we feel certain that we can mobilise further public sentiment against the EBRD. All the same, we'd much rather be singing the bank's praises for full-on support for truly sustainable energy investments.

SELECTED BREAKTHROUGHS WE ACHIEVED AT THE EBRD IN 2012

- Bankwatch-led global advocacy resulted in the EBRD pulling out of a planned loan for Monsanto.
- Persistent campaigning and advocacy from our Croatian member group saw the EBRD finally pull the plug (in May 2013) on the nature-degrading Ombla hydropower project.
- As a result of Bankwatch policy demands, the EBRD's 'Municipal and Environmental Infrastructure Sectoral Strategy' includes environmental and social indicators for the first time.
- Bankwatch complaints regarding the review of the EBRD mining policy lead to the bank agreeing to a two-stage public consultation for its energy policy review. It is hoped that this improved consultation process will lead to enhanced dialogue between the bank and relevant stakeholders, with more sustainable energy investments from the EBRD to follow as a result.

EIB CAMPAIGN

The Counter Balance coalition projected a 30 second video denouncing the EIB's unsustainable energy portfolio onto the European Parliament building in Brussels. The stunt was carried out on the eve of the bank's 2012 AGM where a capital increase for the EIB was top of the agenda. Getting the EIB to channel much more of its financial muscle into clean energy investments – and to pull out of fossil fuel lending – remains top of the agenda for EIB campaigners.

FAIL TO PREPARE, THEN PREPARE TO FAIL – HOW BANKWATCH IS SETTING THE SCENE AND THE TOOLS FOR A CLEAN ENERGY MAKEOVER AT THE EIB

If our colleagues at Counter Balance were busy emblazoning the European Parliament building with a call for more sustainable energy lending at the European Investment Bank, and also turning parliamentary heads with a hard-hitting exposé of how EIB 'development' investments in Africa are being abused by tax haven incorporated companies that benefit from the bank's lending, Bankwatch's work on the EIB in 2012 was more concerned with taking stock and organising for what will be a major campaign and advocacy push in 2013: the EIB's review of its energy policy.

As part of this preparatory work, and to reinforce ongoing campaigning in tandem with our EBRD campaign and other civil society groups across Europe, we mobilised large anti-coal and anti-lignite NGO coalitions that are collaborating internationally and providing opposition to harmful projects.

In fact, in 2012, one positive upshot of these efforts was that the EIB did not approve any new coal project. Moreover it was revealed to us by an EIB staff member that the bank does not intend to support coal-fired projects in Serbia, in part because the bank's preference apparently is now to support renewable energy sources, and also because of problems experienced with the Sostanj 6 power plant (the EIB partnered with the EBRD in supporting the controversial Slovenian project).

Some signs, then, of positive progress at the self-styled 'EU bank', but we are under no illusions: even if the EIB chose not to back any new coal deals in 2012, this kind of achievement still needs to be cemented through a wholesale change in the bank's energy policy up for review in 2013.

And this is why Bankwatch devoted substantial resources in 2012 preparing for this key moment.

We established a large functional coalition of NGOs drawn from western Europe that share the view that the EIB, mandated to support EU policy objectives such as emissions reduction targets, can no longer be engaged with the fossil fuels sector. With Bankwatch, these groups are sharing the advocacy effort aimed at the EIB energy policy review: collectively, we have been targeting key decision-makers in EU member state ministries and the European Green Party has also been motivated (see below) to make a strong policy resolution aimed at cleaning up the EIB's energy lending from 2013 onwards.

After many years of hammering away with our consistent message that EIB-backed projects need to be economically, socially and environmentally sustainable, we have a sense – albeit a cautiously realistic one – that we are arriving at a 'tipping point' as regards the EIB.

Doubts and concerns about the bank's activities are entering the mainstream – an increasing number of political players and major NGOs are now sitting up, digesting our research and analysis, and taking action that can hopefully deliver long overdue, sustainable change at one of Europe's top financial powerhouses.

With lending of upwards of EUR 60 billion per year, especially in these times of ongoing recession the EIB's importance to the EU and beyond is without question. The 'EIB conversation' is shifting, however, thanks in large part to our work. Rather than being awed by the bank's large investment firepower, people across Europe are demanding that this money produces real, quality outcomes for the economy, the environment and their overall quality of life.

SELECTED BREAKTHROUGHS WE ACHIEVED AT THE EIB IN 2012


16 council meeting
EUROPEAN GREEN PARTY
REFORM OF THE EUROPEAN INVESTMENT BANK ENERGY

The European Green Party formally adopted a resolution addressing the need for reform of the EIB's energy policy.

- "The EIB does not refrain from financing projects that clearly violate sustainability criteria, as long as they fulfill one of the other criteria of competitiveness of energy prices or energy security."
- "The EIB is clearly not yet in step with EU climate policy."
- "A revision process of the EIB energy policy in 2012 provides an opportunity to shift the bank's lending towards the green sectors of the economy that create jobs, increase EU's energy security, help limit the pressure European energy companies exert on the global climate, help Members States to phase out from nuclear and increase social resilience to energy price increases."
- "The European Greens call on the EIB to:
  - Immediately cease support for coal-fired energy generation; and refuse support for shale gas extraction;
  - Support Member States in phasing out from nuclear power;
  - Develop and implement a plan by 2017 to strongly increase the financial support for a complete sustainable energy transition that prioritises energy efficiency and increases renewable energy development;
  - Introduce regional targets for financing renewables and energy efficiency in order to avoid the continuation of uneven distribution of clean energy lending outside the EU and in New Member States."
- Following persistent Bankwatch advocacy over several years that a climate change focused EU institution needs to reveal what its investments are doing vis-à-vis carbon emissions, the EIB published its carbon footprint methodology and started using it for projects (albeit over a certain threshold).
- The EIB's lending for climate action exceeded the targeted 25 percent and reached 30 percent.

EU FUNDS CAMPAIGN

In the run-up to the November 2012 EU summit aimed at brokering a deal for the 2014-2020 EU Budget, alongside a map of positive projects financed by EU money Bankwatch produced the 'Well Spent' video clip that engagingly describes how some EU money has been well deployed for the benefit of local communities and their environment. It was well received – and can hopefully inspire many more 'well spent' EU funded projects in the future.

BANKWATCH CAMPAIGNING IN THE EU BUDGET BATTLE KEEPS CLIMATE SPENDING OFF THE CASUALTY LIST – NOW TO WIN THE WAR

When Europe's leaders finally reached a deal on the EU Budget for 2014-2020, there were very few items within the EUR 950 billion package that had escaped the cuts agenda that loomed large over the discussions throughout 2012. One crucial area did, however, avoid the axe: spending that will address climate change in the coming seven year period.

Bankwatch and several partner organisations campaigned hard for a 25 percent allocation for climate spending to be mainstreamed across all aspects of the future EU Budget. In the end, the European Commission's proposed figure of 20 percent climate spending remained intact despite the traditional horse-trading between the 27 member states and the prevailing zeal for cuts.

In the circumstances, then, our campaigning, advocacy and prolific media work – all aimed at 'greening the budget' – paid off. The 20 percent figure represents a strong overall political commitment from the member states. Looking under the hood of the budget deal, there is also increased earmarking for 'low-carbon measures' in the European Regional Development Fund from six percent to 12-15 percent. For our region of central and eastern Europe in particular, this will significantly steer future EU funds towards energy efficiency and renewables, SMART grids and sustainable urban development.

However, a key challenge remains: translating these promising headline figures into real, sustainable investment commitments at the national level.

Having prevailed in the Brussels-centred Budget 'battle', we are now aiming to win the 'war' in 2013 as national ministries set about drawing up their priorities and allocations for spending from 2014 onwards. The risk – as we have experienced in the past – is that sustainable aspirations signed up to at the top table may get watered down, or manipulated, in obscure backroom deals in our national capitals.

For this purpose, Bankwatch's EU team – our EU funds campaigners in seven of our countries – has worked to set up national level NGO coalitions to advocate jointly for sustainable use of the EU funds in the 2014-2020 period. A wide range of 'shadow position papers' on

key spending areas, and all advocating the benefits of climate friendly EU spending, were produced and delivered to national decision-makers in 2012.

These proposals have been having an impact, even in the early stages of the national level 'programming' processes. In the Czech Republic, for example, by the end of the year the ministry of environment pledged to develop a dedicated programme for the environment and energy efficiency, in line with our recommendations; equally, investments for unsustainable waste incinerators have been removed from the Czech environment program. And in Latvia, our suggestions aimed at boosting energy efficiency and clean transport investments have been integrated into the national position on future EU spending.

At both the Brussels level and the national level, and working with a broad range of partners, 2012 was a successful year for our EU team. And teamwork was a crucial element in that success, featuring among other things the gathering and sharing of intelligence as a result of our presence on important EU Funds committees in the various countries.

There is clearly a green wind of change sweeping across EU spending in our region thanks in large part to our efforts thus far – our job now is to ensure that this doesn't become green hot air in our capitals, and that a vastly increased number of job creating, climate friendly, green EU investments see the light of day from January 1, 2014.

SELECTED BREAKTHROUGHS WE ACHIEVED RELATED TO THE EU FUNDS IN 2012

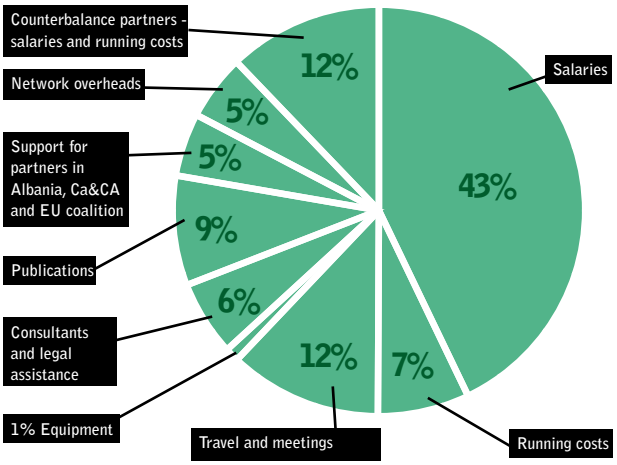
- As a result of concerted advocacy activities carried out by Bankwatch and our partners, in July 2012 the REGI Committee of the European Parliament voted against natural gas and oil infrastructure receiving support from future EU regional development funds.
- The country positions related to the EU Funds programming process released by the European Commission in November 2012 show that our recommendations on transport, developed by NGO coalitions in seven central and eastern European countries, were taken into consideration.
- The newly adopted European Code of Conduct for Partnership, that will form the basis for public and civil society participation in the decision-making over, and scrutinising of, EU Funds investments for the 2014-2020 period, includes many of the basic requirements for fruitful partnership that Bankwatch has been calling for. This represents a major step forward in the democratisation of the EU Funds since the 2007-2013 funding period.

European Climate Commissioner Hedegaard tweets her support for our "Well Spent" map and video - the EU budget can and should do much more for our environment and our lives.

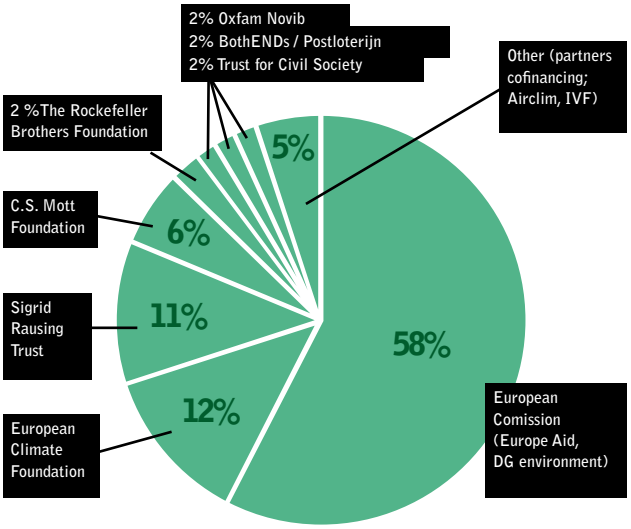
FINANCIAL INFORMATION FOR 2012

Bankwatch is grateful to all of the foundations and organisations that have supported and made possible our work in 2012. The information below derives, as every year, from an official audit of our accounts – conducted by the Czech authorities in March 2013.

BANKWATCH EXPENDITURES PER BUDGET CATEGORIES



EXPENDITURES COVERAGE



BALANCE SHEET

Assets	EUR
Fixed Assets	0
Claims - Advances for members and partners	61 591
Claims - Financial Support	136 754
Claims - Other	11 676
Cash in Hand	2 731
Bank Accounts	94 872
Valuables	69
Interperiod Active Clearances	11 049
Total Assets	318 742

Liabilities	EUR
Basic Capital	0
Reserve Fund	240 728
Grant Fund	-220 986
Committed Transfers 2012	169 617
Accumulated Financial Result of Current Year	327
Short Term Liabilities	102 898
Long Term Liabilities	0
Bank Loan and Credits	0
Interperiod Passive Clearances	26 158
Total Liabilities	318 742

PROFIT AND LOSS ACCOUNT

Income	EUR
Operating Cost Grant Drawing	1206517
Earnings from Services	0
Income on Short Term Bank Deposits	30
Other Income	297
Earnings from Differences in Rates	7492
Total Income	1 214 336

Expenditures of member and partner organisations	671 251
Total budget Bankwatch	1 885 260

Expenditures	EUR
Office Materials, Energy and Repairs	30 332
Travel costs - Bankwatch	98 676
Travel costs - other - participants of seminars	32 782
Salaries and contracts	706 746
Consultants	60 364
Services	155 274
Production of publications and videos	63 332
Other costs	18 006
Losses from Differences in Rates	48 310
Income Tax	0
Amortization and Deficiency	186
Total Expenditures	1 214 009
Accumulated Financial Result of Current Year	327

This report has been produced with the financial assistance of the European Union. The content of this report is the sole responsibility of CEE Bankwatch Network and can under no circumstances be regarded as reflecting the position of the European Union.

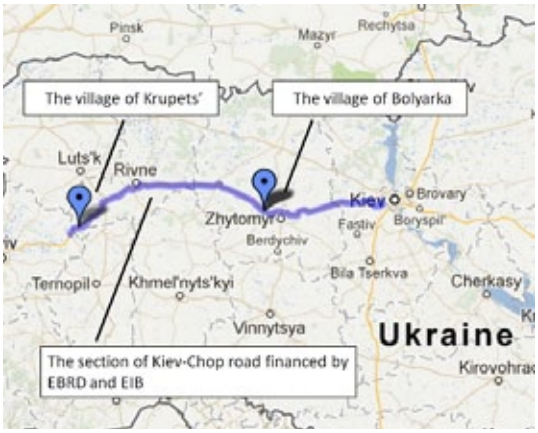
WE'RE ON THE ROAD TO SOMEWHERE … SAFER

Our research, engagement with affected local communities and advocacy aimed at international public donors has helped catalyse real action simultaneously at four of these international donors.

BANKWATCH'S UKRAINE COORDINATOR ALENA MISKUN RELATES HOW WE'VE BEEN ABLE TO EFFECT POSITIVE CHANGES AT THE LOCAL, NATIONAL AND INTERNATIONAL LEVELS WITH ONE TIMELY REPORT

Lethal car accidents, an increasing number of road traffic victims, riots in villages along the route of the road – these were some of the dreadful stories I heard as I carried out investigations in 2012 into the Kyiv-Chop highway, one of the most important arteries in Ukraine's road network.

You might be thinking that no doubt this is a very old and unsafe road, in need of rehabilitation and upgrading to European standards. In fact, for more than a decade now, the Kyiv-Chop highway has had over half a billion euros of international public money thrown at it for these very purposes. Two of Bankwatch's target institutions, the EBRD and the EIB, have had a central role in three rehabilitation and upgrade projects along the road.



Remarkably, though, the road 'improvements' – carried out most recently to cater for international traffic during Ukraine's hosting of the Euro 2012 football championship – have left various communities along the road's route without pavements, and pedestrians having to contend with traffic whizzing by at speeds of up to 120 kilometres per hour. Adequate street lighting and traffic signs have also been lacking.

Hence, based on research conducted in villages such as Krupets and Bolyarka, my organisation – Bankwatch member group NECU – presented the EBRD with the findings of a report on the Kyiv-Chop motorway's failings at the bank's annual meeting in May 2012.

Our report, documenting the safety failings and the anger of the embattled communities involved, has clearly registered at the EBRD – and beyond.

By autumn last year, the bank announced it was launching a safety audit not only of specific villages that we had identified but of the entire road. Some remedial measures in affected villages are now underway.

Further indications we've received suggest that the implications of our report will be felt more widely. The EBRD has felt compelled to reassess its overall approach to road safety, which should bring benefits in other countries where it lends in support of road projects – and I've been assured personally by a bank official that, in future EBRD road projects, safety issues will be one of the top priorities.

Moreover, as the systemic problems attached to road safety in Ukraine have become hard to ignore, four major donors (the World Bank and the EU, alongside the EBRD and the EIB) have joined forces to put pressure on the Ukrainian authorities to change the whole culture of road safety in the country – and, at the practical level, to elaborate and adopt progressive safety standards and implement them in future projects.

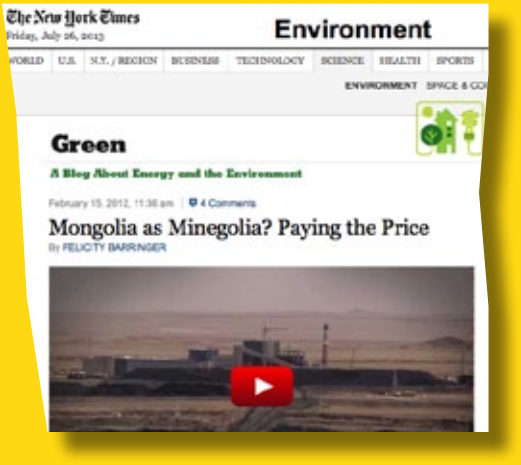
Shifting attitudes – and, crucially, the relevant legislation – in Ukraine will be challenging, but at least the issue of road safety has been given a major boost thanks to our work. And not only in Ukraine.

It's not often that our research, engagement with affected local communities and advocacy aimed at international public donors can help catalyse real action simultaneously at four such bodies. But when it does happen, it certainly inspires me – and I hope others – to tackle head-on the next challenge that is bound to be coming fast round the corner.

PUBLICATIONS AND SELECT MEDIA HITS

Some of the reports and film clips we produced are presented below. We promote these using our social media channels – our Facebook and Twitter subscriber numbers continued to grow throughout the year – and our media team targets the findings of our reports directly at international journalists. A comprehensive list of all our publications in 2012 is available at: www. bankwatch.org/publications

A joint campaign by Bankwatch and partner group FOCUS drew coverage on the front page of the Wall Street Journal. This followed a corruption investigation at the Alstom-built Sostanj coal plant in Slovenia, leading to both the EIB and EBRD temporarily suspending hundreds of millions of euros in project finance.



The New York Times blogs about a Bankwatch video documenting Mongolia's mining boom - financed in part by the EBRD - and whether it will deliver the promised benefits for the country's people or simply be a mirage.

A Banwatch investigation, reported by the BBC, into water quality issues at the Kutmor gold mine in Kyrgysztan initiated an independent government review of its dealings with this EBRD-backed mining project.

Bankwatch's EU Funds coordinator Markus Trilling makes the front page of the European Voice website with an imagined set of 'green EU budget' talking points from Angela Merkel – one of many high profile media appearances that Bankwatch achieved during the budget negotiations.

FROM THE STREETS TO THE BOARDROOM: BANKWATCHERS OUT AND ABOUT

Bankwatchers ask 'Whose side are you on?' during a protest action in Timisoara held in solidarity with the campaign against the Rosia Montana gold mine in Romania.

During the 2012 EBRD annual meeting, Bankwatchers engage the bank's board of executive directors in discussion and debate.

"A PHASE-OUT OF FOSSIL FUEL LENDING BY THE EBRD WOULD SEND A CLEAR SIGNAL TO THOSE COUNTRIES WHICH HAVE SO FAR BEEN UNENTHUSIASTIC ABOUT NEW RENEWABLE ENERGY THAT THEY SHOULD START TO TAKE IT MORE SERIOUSLY." ***BANKWATCH QUOTED IN A REUTERS REPORT, MAY 2012***

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