

# Bankwatch

2022 annual report

CEE

Bankwatch  
Network

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**Review Committee**

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Dora Sivka  
Wendel Trio  
Piotr Trzaskowski

James N. Barnes  
Ana Colovic Lesoska  
Anna Roggenbuck



# Letter from the executive director

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Dear friends,

The work of Bankwatch has never been more important than now. The year 2022 brought with it the horror of war in our region and a global energy crisis, both of which have called on us to act rapidly and recommit to our mission.

Bankwatch has stepped up to this call, putting our considerable expertise on different topics to work addressing these issues. As a result of our continued flexibility in the face of changing circumstances and dedication to our vision of an environmentally, socially and economically just world, we see the continued results of our approach. We see it in increased funding for addressing climate change and protecting biodiversity; the improved social and environmental policies of international financial institutions; more just outcomes for those affected by harmful development projects; and strong, productive relationships between civil society organisations.

Europe now faces a pivotal moment in which we must decide whether to fully commit to and fund

a just energy transition, leaving fossil fuels behind and seizing a renewable energy future, or to continue with half measures. Our choice will have far-reaching consequences for people and the planet. Bankwatch will continue to advocate with all our partners for a just energy transition, and better outcomes for generations to come.

**Mark Martin**  
Executive director




Mark Martin, executive director

# Who we are

Bankwatch is the sum of its members

1  
Za Zemiata  
**Bulgaria**



2  
Zelena Akcija  
**Croatia**




3  
Centre for  
Transport  
and Energy  
**Czech Republic**




4  
Friends of  
the Earth  
**Estonia**




5  
Green  
Alternative  
**Georgia**




6  
MTVSZ, Friends  
of the Earth  
**Hungary**



7  
Green Liberty  
**Latvia**



8  
Ekosvest  
**Macedonia**




9  
Polish Green  
Network  
**Poland**



10  
CEKOR  
**Serbia**



11  
CEPA, Friends  
of the Earth  
**Slovakia**



12  
Ecoaction  
**Ukraine**



13  
National Ecological  
Centre of Ukraine  
**Ukraine**



## Affiliated members

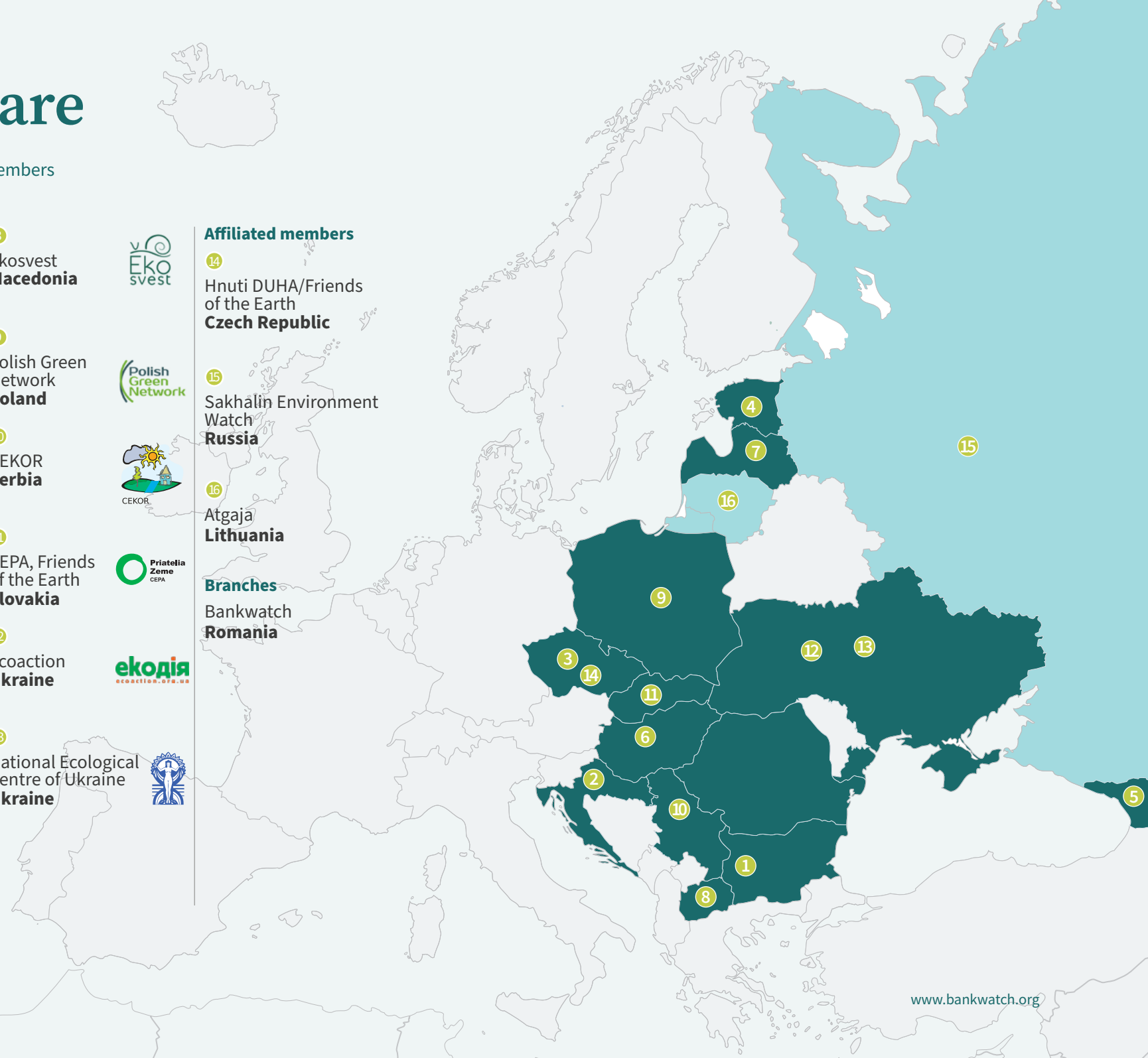
14  
Hnuti DUHA/Friends  
of the Earth  
**Czech Republic**

15  
Sakhalin Environment  
Watch  
**Russia**

16  
Atgaja  
**Lithuania**

## Branches

Bankwatch  
**Romania**



**Where we made a  
difference in 2022**

# Thinking ahead on Ukraine's post-war reconstruction

Russia's full-scale invasion of Ukraine has had far-reaching consequences for Bankwatch and our work. In response to the war, we rapidly organised alongside our Ukrainian member groups. We launched a new campaign led by our Ukrainian colleagues to advocate for the country's green reconstruction, developed and implemented through transparent, accountable, and participatory means. Together with several Ukrainian and European groups, Bankwatch established the informal coalition Building Ukraine Back Better. As part of this larger movement, Bankwatch monitors international donors' plans for the country, produces analyses and recommendations and works closely with decision makers and stakeholders. In Brussels, Bankwatch's Ukraine team established a regular dialogue between the dedicated DG NEAR.E Ukraine service and Ukrainian civil society organisations.

In 2022, we welcomed the EBRD's decision to close offices in Russia and Belarus and advocated for the EBRD to divest from Russian and Belarussian companies. We were a contributing author on the policy paper *Putting the green reconstruction of Ukraine into action*, prepared with Berlin Economics and Ecoaction, which sets forth the major principles for the climate-neutral reconstruction of Ukraine. Along with our member group Ecoaction, we started

a dialogue with public finance institutions for timely and transparent support for Ukraine's cities, focused on reconstruction that accelerates the green transformation and boosts the creation of jobs and exchange of new technologies that will support strong economic growth.

**Read the report: *Putting the green reconstruction of Ukraine into action***

**Read our 2022 briefing on the green reconstruction of Ukraine's cities and watch the video**



The Bankwatch team advocates for Ukraine's green recovery in Brussels. Photo: CEE Bankwatch Network

# Step by step for a just transition: running for clean air in Bosnia and Herzegovina

In November, the third edition of the Lung Run took place in Ugljevik, Bosnia and Herzegovina, gathering 50 people from eight countries with the aim of placing just transition high on the local agenda. After two years of virtual races due to COVID-19 pandemic restrictions, this live version of the Lung Run helped raise awareness about the effects of pollution across the region. Monitors helped runners track pollution levels as they raced up and down the beautiful hills of this coal town in eastern Bosnia and Herzegovina.

Our fourth edition of *Comply or Close* provided the data behind the need to close Ugljevik and other coal plants: deadly emissions that continue to both breach legal pollution limits and contribute to poor health and fatalities every year. Progressive mayors from Bosnia and Herzegovina who want their communities to develop beyond coal and see the benefits of renewables-based district heating made their voices heard in Brussels with Bankwatch's support.

Bankwatch's work on decarbonisation in the Western Balkans also included co-hosting the Just Transition Forum in Sarajevo alongside the Energy Community Secretariat, CAN-Europe and the Balkan Green Foundation and helping North Macedonia prepare its first just transition action plan.

[Read more: The Lung Run](#)

[Read more: Coal in the Balkans](#)



Runners at the 2022 Lung Run in Ugljevik, Bosnia and Herzegovina.  
Photo: Jadran Cilib



# Prioritising biodiversity in Europe's green recovery

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Photo: Jaimie Tuchman via iStock

In 2022, we continued to monitor the European Union COVID-19 recovery fund and advocated for better measures for biodiversity funding. Our activism has seen successes in several countries where we work.

In Bulgaria, a project to rehabilitate state-owned irrigation systems, whose impact on Natura 2000 was not assessed, was excluded from the recovery plan. The caretaker government ordered a strategic environmental assessment to be conducted for the plan. Our national partner was invited to propose an additional biodiversity project which was included in the final version of the plan. The budget for biodiversity measures was raised from EUR 16 million to almost EUR 46 million. In Hungary, the government adopted two biodiversity-related suggestions from our member group Friends of the Earth Hungary (MTVSZ). The government also dropped the idea of using the recovery plan to develop irrigation infrastructure and instead shifted the focus of the plan to water retention.

In Latvia, campaigning in 2021 resulted in the removal of potentially hazardous commercial forestry from the recovery plan. Additionally, after Bankwatch member

group Green Liberty campaigned against 29 harmful flood prevention projects included in the recovery plan, they received confirmation from the executive company that projects with a negative impact on Natura 2000 sites will not be implemented. After public hearings in Poland, where Bankwatch member Polish Green Network actively participated, decision makers improved the standards for biomass pellets that would be purchased under the recovery plan.

[Read more: EU funds and biodiversity](#)

# Protecting rivers and communities

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In 2022, our consistent advocacy against harmful hydropower plants in central and eastern Europe paid off with some major wins for rivers and communities.

The European Investment Bank's new biodiversity rules in their Environmental and Social Policy and Standards, adopted in February 2022, saw significant improvements, including moving from 'no net loss' to 'no loss' as a goal. Later in the year, the Bank published a new exclusion list saying that its intermediaries are not to finance hydropower unless the European Investment Bank itself specifically undertakes due diligence on the projects. Bankwatch's experience with similar rules in the European Bank for Reconstruction and Development has shown that in practice this means that intermediaries will avoid such financing rather than face additional scrutiny. This is a major success for our long-running efforts to prevent hidden international financial institution funding for small hydropower in the Balkans.

In addition, Germany's KfW withdrew from the Janjići hydropower plant in Bosnia and Herzegovina – a plant we had only just begun to actively campaign on. In Georgia, our campaign remained stable with no work proceeding on either the Namakhvani plant or the Nenskra dam. Our work on hydropower subsidies is also progressing solidly, with the Republika

Srpska entity of Bosnia and Herzegovina adopting a new law in February which limits hydropower incentives to plants under 150 kilowatts.

**Read more: [Protecting rivers and communities?](#)**



The upper Drina where the Buk Bijela hydropower plant would be built.  
Photo: Andrey Ralev, CEE Bankwatch Network

# Responding to the energy crisis

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The year also brought an urgency to Bankwatch's work on energy transition, as an energy crisis gripped Europe. The EU's goal of ending its reliance on gas from Russia combined with soaring energy prices have ignited interest in renewable sources.

We placed our first-ever opinion piece in the international news outlet *Politico*, where gas campaigner Gligor Radečić argued that turning to Azerbaijan for fossil gas resources would stand in the way of the EU's climate and human rights goals.

The European Commission's new REPowerEU plan is designed to help Member States address the current energy crisis through diversification of supply, increasing renewables, and improved energy efficiency. Bankwatch was successful in contributing to changes to the legislation for the REPowerEU chapters of national recovery plans to strengthen the requirements for transparency and public participation and limit eligibility for fossil fuels.

We also successfully advocated for decreased financial allocations to Member States for fossil fuels,

particularly fossil gas boilers and road transport infrastructure, from several countries' plans for EU funding. In their place, these countries increased energy savings, energy efficiency and electrification measures. Our detailed assessment and subsequent meetings with the European Commission led to our recommendations being taken into account.

**Read: 'The EU-Azerbaijan gas deal is a repeat mistake'**

**[Read more about our advocacy on EU funds](#)**

## Turbulence at the Budapest Airport

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In January 2022, the European Investment Bank (EIB) suspended the disbursement of a EUR 200 million loan intended to dramatically increase passenger turnover at Hungary's main international airport. The suspension followed an investigation by the Bank's Complaints Mechanism that found that the project developers had not assessed the air pollution, noise pollution or greenhouse gas emissions the development would generate, in breach of the Bank's policy and EU environmental law.

CEE Bankwatch Network, Bankwatch member group Friends of the Earth Hungary (MTVSZ) and the Association for Civilized Air Transport submitted the complaint that led to this investigation. We documented numerous issues with the planned airport expansion, particularly for the surrounding local community whose lives have been adversely affected by the airport. Our complaint supports their own efforts to organise against the expansion. The Complaint Mechanism's investigation report gives new hope and impetus to the local residents to continue their struggle and shows that the EIB cannot take for granted that EU projects always meet the Bank's environmental and social standards.

**[Read more: EU bank freezes funding for major Budapest Airport expansion over sweeping violations of environmental norms](#)**



Some Budapest residents have been seriously affected by the airport. Photo: CEE Bankwatch Network

# Saying goodbye to coal and oil shale

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Phasing out coal and oil shale in central and eastern Europe will help the region address climate change and other environmental concerns while simultaneously paving the way for its energy independence. Bankwatch aims to accelerate the clean energy transition of at least 15 coal / shale oil regions by supporting decarbonisation strategies, promoting climate-neutral solutions, proposing ways to fund bottom-up approaches, and improving the tracking of results and public involvement in decision-making on the Just Transition Mechanism funding.

In 2022, our work led to improvements in just transition plans in several countries and new approaches to citizen engagement, specifically for women and youth. This was in large part a result of our collaboration with different stakeholders, as well as with research projects on both social and energy issues related to just transition. Our advocacy helped accelerate the coal phase-out date for many just transition regions, such as Eastern Wielkopolska in Poland, and increase ambition in countries like Estonia and Romania. Finally, our recommendations prepared in cooperation with Beyond Fossil Fuels resulted in more tailored and focused technical assistance programmes like the Just Transition Platform GROUNDWORK.

**Read our recommendations: *How can we assist you? What kind of assistance do just transition regions actually need?***



## Green cities, for people

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Public finance institutions have recognised the major role cities and municipalities can play in combating climate change and improving the quality of life for people. Bankwatch monitors trillions of euros in investments in our cities and advocates for greater transparency and public participation in urban development planning and projects, as well as stronger safeguards and sustainability criteria.

In January 2022, Bankwatch released a guide on the Green Cities Action Plans to encourage civil society and the public to participate in planning for climate action in urban development. The guide was published in English, Russian, Serbian, Ukrainian and Uzbek.

In September 2022, a new Bankwatch report and photo story mapped out the significant investments made by the European Bank for Reconstruction and Development and Asian Development Bank in Tbilisi's public transport. The report shed light on a range of pressing issues, such as delays in procurement procedures, rampant overcrowding, and inadequate accessibility for persons with disabilities. Additionally, it drew attention to the prevalent problems of sexual harassment and gender discrimination in public transport, advocating for the city authorities and finance institutions to take immediate action to rectify the situation.

Bankwatch also continued to support civil society partners in Kazakhstan, Uzbekistan and Kyrgyzstan. We followed Almaty's Green City process, Samarkand and Nukus waste projects, solar and wind farms in Central Asia, and Indorama's cotton farming in Uzbekistan to ensure greater transparency, meaningful public participation and accountability. We visited Almaty in June and Samarkand and Nukus in November, where we talked to local decision makers and bank representatives about the need for greater transparency, meaningful public participation and accountability.

[Read about how to get involved in Green Cities Action Plans](#)

[Read our photo story 'Tbilisi's public transport woes and faltering reforms'](#)

[Read our photo story about waste management in Uzbekistan](#)



# Our funders

We thank each of our donors, past and present, for making our work possible and for their trust and confidence in the job we do to bring international finance to account.

<b>Assets</b>	<b>EUR</b>
Fixed Assets	4,199
Claims	656,271
Cash in Hand	207
Bank Accounts	804,272
Valuables	0
Interperiod Active Clearances	22,397
<b>TOTAL ASSETS</b>	<b>1,487,345</b>

<b>Income*</b>	<b>EUR</b>
European Climate Foundation	885,193
Swedish Intern. Develop. Agency	835,620
European Commission	778,892
Foundation Open Society Institute	167,542
EuroNatur Foundation	114,674
Schwab Charitable Fund	65,232
Various	42,407
Partners cofinancing	42,319
Carbon Market Watch	39,118
WWF Adria	35,611
Europe Beyond Coal	28,956
Both ENDS	28,275
Grassroots Foundation	21,458
<b>TOTAL INCOME</b>	<b>3,085,297</b>

<b>Liabilities</b>	<b>EUR</b>
Reserve Fund	182,419
Grant Fund	1,102,106
Committed Transfers	94,690
Accumulated Financial Result	-134,701
Short Term Liabilities	232,959
Interperiod Passive Clearances	9,872
<b>TOTAL LIABILITIES</b>	<b>1,487,345</b>

<b>Expenditures*</b>	<b>EUR</b>
Salaries	1,869,260
Running costs	127,735
Travel and meetings	261,439
Equipment	23,271
Consultants and legal assistance	172,584
Publications	62,003
Network overheads	87,098
Support for partners	481,906
<b>TOTAL EXPENDITURES</b>	<b>3,085,297</b>

\* from foreign currencies booked in CZK and then recalculated to EUR

Bankwatch will continue to advocate with all our partners for a just energy transition, and better outcomes for generations to come.

— Executive director **Mark Martin**

**CEE Bankwatch Network**

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