

OPEN LETTER (also distributed to the media)

Philippe Maystadt
President European Investment Bank
100, bd Konrad Adenauer
L-2950 Luxembourg

May 21, 2004

Re: EIB 'dialogue' with NGOs on the Veracel project

Dear Mr Maystadt,

The EIB recently placed on its website an information note about the Veracel Celulose pulp mill project [1] which the Bank is financing in Bahia, Brazil. The note mentions that the EIB has had a dialogue with NGOs concerning the project.

We are currently writing to officially protest about the EIB describing the one meeting between the bank and NGOs on October 21, 2003 in Brussels as 'a dialogue' [2] and misusing NGOs in that respect. From the NGO perspective, and based on experience with the EIB, in this case there has been no meaningful dialogue at all. Instead, the Veracel case is a clear example of the EIB's lack of willingness to engage in a meaningful consultation with impacted communities and NGOs on the projects it is financing.

The Veracel case clearly shows how unwilling the EIB is to listen and consider environmental and social concerns expressed by local people and NGOs. We would like to know which measures or activities you are referring to when you state that the EIB "conducted extensive correspondence on the project with interested NGOs" [3].

Lack of transparency and clear framework for public consultations

1. It is extremely difficult for civil society to find out about projects that have applied for an EIB loan and that the bank is considering for financing. Also in the Veracel case there has been no transparency: The Veracel project was published in the list of projects that the EIB considers for financing after the public heard about Veracel's loan request in the media. Information about the project appeared on the list of projects in the pipeline only at the end of July 2003. NGOs then asked the EIB for information on the Veracel project and expressed their concerns, but it took the EIB's bureaucracy almost two months to answer [4], although they had already been considering financing the Veracel project. The EIB apparently seems to have no interest in being transparent and in providing information on the considered projects in order to listen to public concerns and to experts from the affected communities.

2. At the meeting on October 21, 2003 between the EIB staff and representatives from the Brazilian Veracel region and NGOs, the EIB was asked if their staff had prepared any documents evaluating the Veracel project. The answer was "yes", but none of those documents were publicly available. Furthermore, the EIB refused to announce when they plan to decide about the project. They asked for more information from the Brazilian representatives without providing any information themselves.

Lacking consultation with NGOs and affected communities

The EIB's policy lacks guidelines regarding consultation and participation schemes for affected communities and NGOs. Consultation and dialogue with people concerned and impacted communities are neither requested nor welcomed prior to the Board approval of loans. In the Veracel case, it was extremely difficult to organize a meeting between the EIB staff and representatives from the Brazilian Veracel region and NGOs. This was due to the EIB's hesitation and unwillingness [5].

One of the main NGO recommendations proposed when the EIB was reviewing its Information Policy was a clearly defined framework for public consultation, based on releasing documents and information on environmental, social and economic aspects of the planned project. We believe that during its decision making process, the EIB should provide more transparency and take advantage of listening to public concerns (and to experts), particularly from organizations and affected communities from the concerned countries. This recommendation has not been taken by the EIB and no procedure for public participation exists.

Disregarding affected communities' and NGOs' concerns

To sum up, the EIB did not consider the information, the concerns or the criticism of the Brazilian local representatives and NGOs there at all. Instead, the EIB has decided to finance the project without seriously attempting to address these concerns or prove they were wrong. Equally, no attempt for further consultation has been undertaken. The consequences of this disregard for affected communities has resulted in huge protests from local people and NGOs, including the recent occupation of Veracel's plantations by the landless movement (MST) in Bahia [6].

For all the above reasons, we believe that the contact with the EIB can in no way be described as 'a dialogue'. We denounce the EIB's attempt to pretend it was open to affected people's and NGOs' concerns when it actually was not. We therefore urge you to change the note on your website and to stop referring to any of our contacts concerning the Veracel project as 'a dialogue with NGOs'.

At the same time we are open to a discussion on how real dialogue at the policy and project level between NGOs and the EIB can be established.

Due to these experiences with the EIB concerning the Veracel case, we urge you to implement clear standards for civil society consultation and more transparency in order to ensure that the bank does not finance socially and environmentally destructive projects, like the Veracel pulp mill.

We look forward to hearing from you.

Sincerely,

Lydia Bartz
Urgewald

Magda Stoczkiewicz
CEE Bankwatch/Friends of the Earth Int.

On behalf of the following organisations and individuals:

1. AGB/ES - Associação dos Geógrafos Brasileiros - Seção ES - Brasil
2. Atgaja, Lithuania
3. Bank Information Center, US
4. Bicuda Ecologica - Rio-RJ - Brasil
5. BothEnds, the Netherlands
6. Bretton Woods Project, UK
7. Campagna per la Riforma della Banca Mondiale, Italy
8. CEIE, Bulgaria
9. CEPA, Slovakia
10. Clean Air Action Group, Hungary
11. COECOCEIBA-Amigos de la Tierra Costa Rica
12. CORE Centre for Organisation Research & Education
(Indigenous Peoples' Centre for Policy and Human Rights in India's North East)
13. Eco-sense, Macedonia
14. Environmental Defense, USA
15. Euronatura, Portugal
16. FASE/ES - Federação de Órgãos para Assistência Social e Educacional - Brasil
17. FERN, Belgium
18. Fórum Estadual de Mulheres-ES - Brasil
19. Friends of the Earth England, Wales & Northern Ireland, UK
20. Friends of the Earth Estonia
21. Green Alternative, Georgia
22. Hnutí Duha, Czech Republic
23. Movimento Nacional de Direitos Humanos/Regional Leste I-ES - Brasil
24. MPA- Movimento dos Pequenos Agricultores-ES - Brasil
25. MST/ES - Movimento dos Trabalhadores Rurais Sem Terra-ES - Brasil
26. National Ecological Centre of Ukraine, Ukraine
27. One World Trust, UK
28. Organização de Direitos Humanos PROJETO LEGAL-RJ - Brasil
29. Polish Green Network, Poland
30. VAK/FoE Latvia
31. The Development GAP, USA
32. Za Zemiata (For the Earth), Bulgaria
33. World Rainforest Movement, Uruguay
34. Ademar Paulo Ludwig Suptitz - MST-MG - Brasil
35. Alacir Bernadete De´Nadai - FASE-ES - Brasil
36. Alberto da Silva Rocha - Organização Defesa Direitos Humanos-BA - Brasil
37. Alexandre Gonçalves - CAILA/CPT-MG - Brasil
38. Akava M. Barbosa - Tupinakyia-ES - Brasil
39. Ana Filippini - WRM - Uruguai
40. Ana Maria Aparecida Pereira - STR Chapada do Norte-MG - Brasil

41. André Messias dos Santos - Zumbah - Movimento Hip-Hop Capixaba/Cia Enki-ES - Brasil
42. Antônio César Silva Orundo - Projeto Amigo Tartaruga-BA - Brasil
43. Antonio dos Santos - Cacique da Aldeia Indígena Tupinikim de Pau Brasil - Araruz-ES - Brasil
44. Antônio Mendes de Souza - STR Capelinha-MG - Brasil
45. Arcilo Elias Santos - Associação C. Vereda Funda-MG - Brasil
46. Azilma Alves de Oliveira Santos - Associação C. Vereda Funda-MG - Brasil
47. Benícia Ressurreição de Freitas - STR Teixeira de Freitas-BA - Brasil
48. Bettine Robers - CIMI-Leste/BA - Brasil
49. Braz Marré - EFA Pinheiros-ES - Brasil
50. CADH - Centro de Apoio aos Direitos Humanos-ES - Brasil
51. Carlos A. Dayrell - CAA-MG - Brasil
52. Carlos Lobo - Direção Estadual do PT/ES - Brasil
53. CEDEFES - Centro de Documentação Eloy Ferreira da Silva-MG - Brasil
54. Celson Cloves Silve Gusmao - Associação Pequenos Produtores Rurais Pau d'Óleo - Brasil
55. CEPEDES - Centro de Pesquisa para o Desenvolvimento do Extremo Sul da Bahia - Brasil
56. Chris Lang, Environmental researcher, Germany
57. CIMI/ES - Conselho Indigenista Missionário-ES - Brasil
58. Claudinei Julio Rocha - MST Montes Claros-MG - Brasil
59. Cláudio Dionísio S. Gusmao- STR Montes Claros-MG - Brasil
60. Cléria Estanislau Terrinha - STR Santa Bárbara-MG - Brasil
61. Conceição Aparecida Luciano - Campo Vale-MG - Brasil
62. Creusa Ferreira dos Santos - CPT-MG - Brasil
63. Dalci José de Carvalho - STR Turmalina-MG - Brasil
64. Daniela Meirelles Dias de Carvalho - FASE-ES - Brasil
65. David Matuchaki de Carvalho - MPA-ES - Brasil
66. Derli Casali - MPA-ES - Brasil
67. Dimas Pereira de Melo - MST-ES - Brasil
68. Diomar Soares Costa - CATRESUL-BA - Brasil
69. Dizim Manoel dos Santos - MDMA Rio Pardo de Minas-MG - Brasil
70. Edmar Lopes Maia - Remos-ES - Brasil
71. Edilene Martins - STR Veredinha-MG - Brasil
72. Edina da Silva Lapa - assessoria vereador Aldair Fagundes-MG - Brasil
73. Edson Onofre - Vereador PT/MPA-ES - Brasil
74. Elaine Franklin Gomes Esteves - Remos-ES - Brasil
75. Espaço Cultural da Paz - Teixeira de Freitas-BA - Brasil
76. Elza R. Krauser - CPT-ES/RJ - Brasil
77. Ézio Novato de Oliveira - STR Vale Jucuruçu-BA - Brasil
78. Flora Brasil-BA - Brasil
79. Francisco Ferreira Costa - STR Minas Nova-MG - Brasil
80. Frederico Elder Alves Cordeiro - STR Turmalina-MG - Brasil
81. Geísa Carvalho Gomes - MST-ES - Brasil
82. Geise Pereira da Silva - FASE-ES - Brasil
83. Genilson Bispo dos Santos - ADEES-BA - Brasil
84. Geraldo Armando Martins - STR Curvelo - Brasil
85. Geraldo Lima Macedo - STR Turmalina-MG - Brasil

86. Geraldo Magela Moreira - STR Curvelo
87. Geraldo Magela Pereira - Orgânico Bio Buritizal-MG - Brasil
88. Geraldo Martiniano dos Santos - STR Capelinha-MG - Brasil
89. Gilberto Franco - MPA-ES - Brasil
90. Gilsa Helena Barcellos - Fórum Estadual de Mulheres-ES - Brasil
91. Gilvano Ribeiro Célio - STR-C.C.R. Taiobeira-MG - Brasil
92. Grace Borges dos Reis - STR Curvelo - Brasil
93. Gustavo Quinquim Sossai - EFA Boa Esperança-ES - Brasil
94. Hara Porto Sampaio - EFA Vinhático (MEPES)-ES - Brasil
95. Ivonete Rodrigues dos Santos - MDMA Rio Pardo de Minas-MG - Brasil
96. Jaqueline Luiz da Silva - Parceiros da Natureza-MG - Brasil
97. Jean François Timmers - Flora Brasil-BA - Brasil
98. Jeffer Castelo Branco - ACPO - Santos-SP - Brasil
99. Joachim Maruhn - CPT-ES/RJ - Brasil
100. Joaquim Alves de Azevedo - STR Veredinha-MG - Brasil
101. Joaquim Maria da Luz - STR Curvelo-MG - Brasil
102. Joaquim Vaz Medeiros - STR Ieme do Prado-MG - Brasil
103. Joaquim Cordeiro de Souza - STR Veredinha-MG - Brasil
104. Joaquim Tarcísio Gusmao - MSA-MG - Brasil
105. Joao Aldaires da Silva - Comunidade Cana Brava-MG - Brasil
106. José de Souza Rocha - STR Veredinha-MG - Brasil
107. José Geraldo Silveira - Sind. Trab. Ext.-MG - Brasil
108. José Gilmar de Souza - CPT-MG - Brasil
109. José Olario Gonçalves Machado - STR Turmalina-MG - Brasil
110. José Raimundo S. Ramos - Pataxó-BA - Brasil
111. José Roberto da Silva - M.N.D.H. Regional MG - Brasil
112. José Romário Rodrigues da Silva - CPT-Mucuri-MG - Brasil
113. Joselito do Nascimento Maciel - Frente Resistencia Luta Pataxó-BA - Brasil
114. Josuel da Silva Pereira - EFA Vinhático/APMEVIN-ES - Brasil
115. Junior Alves de Oliveira - MST Montes Claros-MG - Brasil
116. Kaluana M. Silveira - Tupinakyia-ES - Brasil
117. Klemens Laschefski - Amigos da Terra - Alemanha
118. Leonardo Lintz - FASE Nacional-RJ - Brasil
119. Leôncio C. Santos - STR Rio Pardo de Minas-MG - Brasil
120. Leopoldo de Jesus Coutinho - MST-RJ/FEAB-Reg. II - Brasil
121. Lucimere da Silva Leao - CPT-MG - Brasil
122. Luiz Alberto Soares Loureiro - Sinticel-ES - Brasil
123. Luiz Ronaldo Carvalho - Assessor parlamentar - B.Hte - Brasil
124. Maria Camila de Souza - STR Taiobeiras-MG - Brasil
125. Maria Diana de Oliveira - AGB-MG - Brasil
126. Maria de Lurdes Lopes - STR Santa Bárbara-MG - Brasil
127. Maria do Carmo Machado - STR de Açucena-MG - Brasil
128. Marilda Quintino Magalhaes - CEDEFES-MG - Brasil
129. Marcelo Calazans Soares - FASE-ES - Brasil
130. Márcio Porto de Oliveira - MST-ES - Brasil
131. Marcos Antônio Teixeira Souza - MST-ES - Brasil

132. Marilda Teles Maracci - AGB-ES - Brasil
133. Marina Filetti - Gabinete deputado estadual Cláudio Vereza-ES - Brasil
134. Martim José Covre - Assessoria deputado federal Iriny Lopes-ES - Brasil
135. Milene Maia - Flora Brasil-BA - Brasil
136. Melquiades Spínola de Oliveira - CEPEDS-BA - Brasil
137. Messias Fortunato - Prefeitura Minas Novas-MG - Brasil
138. Milton Joaquim dos Santos - Comunidade Cana Brava - MG - Brasil
139. Moisés Dias de Oliveira - STR Rio Pardo de Minas-MG - Brasil
140. Múcio Tosta Gonçalves - Professor Universitário-MG - Brasil
141. Nadson José Almeida Barbosa - Unimontes-Pirapora-MG - Brasil
142. Naldir Viana Lopes Neves - MPA-ES - Brasil
143. Neli Lucia Conceição - STR Leme do Prado - Brasil
144. Newton Tibúrcio - M.N.D.H - Regional MG - Brasil
145. Olímpio Rodrigues Soares - STR Chácara do Norte-MG - Brasil
146. Pedrelina Vaz Rodrigues - STR-Leme de Prado - MG - Brasil
147. Pedro Almeida Anjos - FETRAF-BA - Brasil
148. Pedro Batista Santos Neto - STR Curvelo-MG - Brasil
149. Ranieri Cardoso Marinho - CEIP Pirapora-MG - Brasil
150. Reinaldo Vieira dos Santos - Terra Viva-BA - Brasil
151. Ricardo Henrique Bronzaghini - MPA-ES - Brasil
152. Rogério Correia - Deputado Estadual PT/MG - Brasil
153. Ronaldo Alves de Jesus - MST-ES - Brasil
154. Rosa Maria Barbosa da Silva - STR-Minas Novas-MG - Brasil
155. Rosa Roldan - CUT-Comissao Meio Ambiente-RJ - Brasil
156. Rui de Farias Souto - MST-RJ - Brasil
157. Sebastiao Francisco da Silva - CPT-MG - Brasil
158. Sebastiao Martins Barbosa - MPA-MG - Brasil
159. Seção Rio de Janeiro da Regional Leste do Movimento Nacional de Direitos Humanos-RJ - Brasil
160. Silvio R. Gomes - MPA Teófilo Otoni-MG - Brasil
161. Sueli dos Santos Almeida - Associação C. Vereda Funda-MG - Brasil
162. Sumário Santana - CIMI Leste-BA - Brasil
163. Synara de Fátima Almeida Thomas - Parceiros da Natureza-MG - Brasil
164. Thomas Edson Andrade - Sindicato dos Bancários Extremo Sul-BA - Brasil
165. Tiago Ferreira de Souza - SOS Córrego Santo Antonio - Curvelo-MG - Brasil
166. Valmir José Noventa - MPA-ES - Brasil
167. Welton Antunes da Silva - Campo Vale-MG - Brasil
168. Wilson Vander de Oliveira - Associação Loucos por Voce-MG - Brasil
169. Winfried Overbeek - FASE-ES - Brasil

Footnotes:

1. This joint venture of Aracruz Cellulose and Stora Enso would be the largest single line bleached eucalyptus pulp mill in the world. A lot of environmental and social problems already existing in the region will be increased with the construction of another large pulp factory. Therefore a broad coalition of NGOs, indigenous peoples, peasants, fisherfolk, academics and

many others are strongly opposed to the Veracel pulp mill. More information:
<http://www.fase.org.br>

2. EIB website: <http://www.eib.org/news/News.asp?news=73&cat=-1>

3. EIB website: <http://www.eib.org/news/News.asp?news=73&cat=-1>

4. On July 1, 2003 NGOs (Urgewald and CEE Bankwatch) sent a letter to the EIB requesting information about the Veracel project and about the studies made by the EIB so far during their consideration process. They expressed deep concern about the Veracel project and suggested steps to ensure that such a potentially socially and environmentally destructive project is not approved. On July 18, 2003 a second letter of concern was sent to the EIB signed by about 30 NGOs from different countries urging the bank not to finance the Veracel project. The bank did not answer the first letter separately; they only sent one reply.

5. Only after many phone calls and emails did the EIB agree to consider a meeting, still not to ensure the meeting. The flights for Brazilian representatives had to be booked prior to the bank's decision to meet. The EIB denied a meeting with a broader number of NGOs. They only agreed to meet with the four Brazilian and three accompanying European representatives. Furthermore, it was the bank's will to conduct the meeting in Portuguese, but it became clear during the meeting that the EIB's staff was not able to communicate in Portuguese and did not organize a translator.

6. More information: <http://www.fase.org.br>