



# HOW THE EBRD'S FUNDING CONTRIBUTED TO FORCED EVICTIONS IN CRAICA, ROMANIA

The European Bank for Reconstruction and Development (EBRD) and the European Union (EU) are providing a loan to SC Vital S.A., a water utility company operating in Maramures County, to fund a project for the extension and rehabilitation of the waste water and waste infrastructure in the Romanian town of Baia Mare. This project has led to forced evictions of Romani families in the Craica settlement in Baia Mare. On 1 August 2013, the Department for Constructions, which is part of the Directorate of the local police, issued demolition orders for 21 households in Craica in connection with this project. The demolition orders stated that the houses concerned lacked required authorizations and ordered the residents to demolish their houses by the morning of 5 August. The orders also stated that, if the deadline was not complied with, the municipality of Baia Mare would then proceed with the demolitions.

On 5 August 2013, in accordance with these orders, between 10 and 15 Romani households were forcibly evicted from their homes in Craica and between 10 and 12 homes were demolished. While most of the demolition orders had been served by local police on the affected families on 2 August, according to information available to Amnesty International, at least one household received the demolition order after their house had already been demolished.

According to information also made available to Amnesty International, the delivery of the demolition orders was not followed by any other communication from local authorities. In addition, the local authorities did not follow the safeguards required under international law, or by the EBRD Performance Requirement on involuntary resettlement, which include engaging in genuine consultation with affected people to explore all feasible alternatives to evictions.

Acting under the threat that a failure to comply with the demolition orders would result in the loss of their properties, at least three families demolished their houses. The other 10-12 homes were demolished by bulldozers in the presence of local police and municipality officials. The local police had promised the residents that they would be allowed to rebuild their houses in another part of the Craica settlement. Contrary to this commitment, the affected families were initially prevented from rebuilding their homes in other parts of Craica. The prohibition was only lifted after the intervention of a local NGO.

To date, none of the forcibly evicted families has been provided with adequate alternative housing, with compensation for the losses incurred during the demolitions, or with financial or material support to re-build their homes. Local sources interviewed by Amnesty International said that, following the demolition of their homes, the affected families slept in the open for between two weeks to one month until they were able to gather the necessary materials and finances to rebuild their homes themselves.

During a visit to the area in December 2013, Amnesty International representatives observed that the new makeshift homes built by the families did not provide them with adequate protection from the cold and adverse weather conditions. Local sources interviewed told Amnesty International that the quality of the new housing they have built after the August 2013 demolitions is lower than that of their previous homes; for example, the quality of the building material is poor, there is less insulation and living spaces are smaller. The affected families also lack security of tenure, as they have no documentation for the houses or the land they live on. Local sources interviewed by Amnesty International also raised concerns regarding rumours of further forced evictions in the Craica settlement and a general fear among the community that they could be evicted again.

The August 2013 forced evictions were brought to the EBRD's attention by Amnesty International following a statement by the mayor of the town, which was made both publicly and to Amnesty International in a letter. The mayor stated that,



“people living in Craica were again ordered to leave the area voluntarily, because it will be traversed by a water pipe and drainage, since this is a vital project of the Vital Company (water company) amounting to approximately 100 million Euros which cannot be put in practice because of improvised building illegally built on public land”.

Subsequently the EBRD sent two missions to the field, and after examining the situation, confirmed that the evictions were in fact linked to the EBRD funded project. After the first site visit carried out in November 2013, the EBRD concluded that its requirements for involuntary resettlement had not been applied in the case of the affected Romani families in the Craica settlement. As the project appraisal had not identified any social impacts, EBRD was not aware that people were going to be resettled as part of the project. The EBRD subsequently informed Amnesty International that it would take remedial steps to work with the SC Vital SA water company and the Baia Mare municipality to retroactively apply the EBRD’s policy on involuntary resettlement, and to find appropriate ways to ensure that compensation required under the EBRD’s policies would be provided to the affected families. It also committed to carrying out an impact assessment in participation with the affected families and to documenting their socio-economic and “asset conditions”, as well as livelihood circumstances, prior to the forced evictions. The EBRD also committed to assess all costs and losses incurred by the affected families following the forced evictions.

The EBRD also agreed to work with the local authorities to identify the immediate and urgent needs of the affected families in order to provide emergency measures to support them in the precarious situation in which they have been living since August 2013.

The EBRD further stated that it has instructed all water companies participating in water and wastewater infrastructure projects jointly funded by the EU and the EBRD to inform them immediately if any resettlement of people will be required in the future. EBRD also committed to provide additional capacity building training on resettlement issues alongside other training activities.

While Amnesty International recognises the commitments expressed by the EBRD and continues to monitor the situation, it remains deeply concerned that to date communities have not been provided with any support. Amnesty International has called on the EBRD to ensure that the draft resettlement action plan outlined following the impact assessment is made public and consulted upon in a participatory manner with the affected people. It has also called upon the EBRD to monitor the implementation of the project so as to be aware early on of any other potential resettlement issues or any other negative human rights impacts that may be connected to it.

The EBRD stated that the forced evictions in Craica occurred because of a lack of proper implementation of its policies and the fact that the contractual agreement and therefore leverage was with the water company and not with the local authority carrying out the evictions. However, it is Amnesty International’s view that the forced evictions also occurred because of existing gaps in EBRD’s current and draft Environmental and Social Policies (ESP) and Public Information Policies (PIP). These policy gaps include the following:

1. The EBRD does not carry out adequate and explicit human rights due diligence to assess the potential negative impact on all human rights of their projects. When such assessments identify potential risks to human rights, a full human rights impact assessment must be carried out. In fact in this case the EBRD project appraisal did not detect that some people were going to be resettled as part of the project.
2. The EBRD does not adequately vet and check information provided by recipients of its loans, either in the early or implementation phases of a project. There must be independent and effective monitoring of projects. It was only because of Amnesty International’s intervention that the EBRD finally realised that Romani households were evicted as part of a project it had funded.
3. The EBRD’s PIP does not provide for disclosure of project appraisals for projects such as Craica Baia Mare. This is crucial to allow potentially affected communities, as well as the general public a) to be aware of potential negative impacts linked to the project and b) to determine whether or not the project appraisal had identified all potential impacts on human



rights. Furthermore, because of confidentiality provisions between the EBRD and its corporate clients, documentation on the Craica Baia Mare project was only shared with Amnesty International after the water company involved in the project agreed to share it.

4. While the new “draft” ESP released by the EBRD in January 2014 states that the “EBRD will not knowingly fund projects likely to fund forced evictions”, it does not say that the EBRD will take all necessary steps to be able to become aware of any potential evictions before deciding whether to fund a project.

Amnesty International urges the EBRD to ensure that its revised ESP, currently under review, a) includes a requirement for effective human rights due diligence by the EBRD as well as recipients of its funding, b) incorporates the UN Framework and Guiding Principles on Business and Human Rights, c) is fully in line with other international human rights standards and d) builds in effective implementation and monitoring mechanisms to ensure that EBRD’s ESP and Performance Requirements are fulfilled by the projects it funds.