

24th Meeting of the Working Group of the Parties to the Aarhus Convention

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European Bank
for Reconstruction and Development

EBRD Stakeholder Engagement – principles and approaches



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The EBRD encourages proactive, meaningful and consultative stakeholder engagement at multiple levels:

- **Institutional Level**

The Bank facilitates direct engagement with both Management and the Board. This includes a closed-door meetings between civil society organisations (CSOs) and the Board of Directors as well as separately with the President at the EBRD Annual Meeting. Additionally, the Bank supports ad-hoc meeting requests between the CSOs and the Board members, the President as well as with management teams.

- **Policy Level**

The Bank conducts public consultations as well as preliminary discussions on its key policies and strategies. Additionally, the Bank facilitates bilateral meetings with civil society in relation to specific policy-related issues.

- **Project Level**

The Bank establishes requirements for disclosure and stakeholder engagement in relation to each of its projects – both for clients and for the Bank in its Environment and Social Policy and Access to Information Policy and Directive on Access to Information.

EBRD stakeholder engagement - architecture



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Access to Information Policy and Directive on Access to Information

Sets out the principles governing the Bank's transparency regime, including the presumption in favour of disclosure

Includes minimum disclosure requirements for the Bank and sets out how the Bank engages with public and other relevant stakeholders

Environmental and Social Policy (incl. Performance Requirement 10)

Requires the EBRD and its clients to implement effective and inclusive stakeholder engagement as an integral part of E&S risk management of the Bank's projects

Stakeholder engagement is required during project preparation and implementation, to a degree proportional to the associated environmental and social risks

Independent Project Accountability Mechanism

Reviews environmental, social and transparency-related issues raised by Project-affected people and civil society organisations about EBRD financed projects, which are believed to have caused or to be likely to cause, harm

Civil Society Engagement Team

Leads, coordinates and advises on the EBRD's institutional relationships with civil society stakeholders, working with teams across the Bank to conduct outreach, facilitate disclosure of information, support consultations and technical cooperation with civil society stakeholders in member and recipient countries.

EBRD stakeholder engagement – approach to projects

- The EBRD recognises that stakeholder engagement is central to building the strong, constructive and responsive relationships that are essential to the successful management of a project’s environmental and social risks and impacts
- To that end, the EBRD promotes proactive and meaningful stakeholder engagement on projects throughout project life cycle
- The Directive on Access to Information requires the Bank to publish Project Summary Documents (PSDs) for all projects before approval, giving the opportunity to external stakeholders to raise any questions or concerns
- The EBRD requires compliance with applicable local disclosure, consultation and grievance redress requirements. Most countries where the EBRD has operations are signatories to the Aarhus Convention
- In addition, in relation to each project, clients must:
 - Undertake project stakeholder engagement proportional to the associated environmental and social risks and stakeholder interest;
 - Establish a project-specific grievance mechanism
- With respect to engagement with indigenous people, the client is required to establish an ongoing relationship with affected communities of indigenous peoples from as early as possible in the project planning process and undertake a process of meaningful consultation, as defined in Performance Requirement 10, commensurate with the project’s risks and potential impacts on indigenous peoples.

Details of the Bank’s stakeholder engagement principles and practices are set out in its corporate governance policies, including Access to Information Policy, Environmental and Social Policy, and Project Accountability Policy

EBRD stakeholder engagement – CSO engagement

- The EBRD endeavours to identify, raise awareness and engage with a broad range of stakeholders, including project affected people and communities and civil society organisations (CSOs).
- The Bank builds constructive and responsive relationships with civil society to effectively manage and monitor environmental and social risks and impacts associated with the Bank’s activities.
- The Bank also actively engages with civil society on its Access to Information Policy, providing input on requests for information received from external stakeholders .
- Traditionally, the Bank has engaged with civil society by means of outreach and information disclosure, dialogue and consultations conducted in accordance with established international best practice in stakeholder engagement.
- In order to re-energise transition and build transition resilience, the EBRD recognises that it needs to reach beyond its investment projects to encourage broader change. When it comes to civil society engagement, going beyond consultation to build deeper cooperation and partnerships with civil society, as a key stakeholder group, is important to achieving broader societal buy-in to reforms and increased local ownership of the transition process.
- Through the **EBRD’s new Approach to civil society engagement for 2024-2029**, the Bank will shift its CSO engagement from a reactive, risk mitigation approach to truly proactive, impact generative arrangements through more sophisticated and inclusive tools and instruments of stakeholder engagement.

EBRD stakeholder engagement - implementation

The EBRD reviews its good governance policies every five year. In 2023, the Bank started to review its 2019 Access to Information Policy (AIP) / Directive on Access to Information (DAI) and 2019 Environmental and Social Policy (ESP) (including performance requirements).

The main objectives of the review were to:

- Ensure the **Policies remain relevant and ambitious** by reflecting good practice amongst MDBs and the wider international finance community.
- **Remove ambiguity** through policy provisions to provide clarity on roles and responsibility for the Bank and its Clients.
- **Improve the overall effectiveness** of the Bank's engagement through greater use of risk-based assessments to target appraisal, monitoring and disclosure efforts.
- Facilitating more **meaningful and user-friendly** disclosures.
- **Achieving a better balance** between transparency and the demands of commercial confidentiality.

The EBRD started public consultations on draft 2024 AIP / DAI and ESP on March 25, 2024, which lasted until 17 May 2024. During this period, the Bank has conducted six hybrid public consultation sessions, covering London, Central Asia, Western Balkans, Ukraine, SEMED and Turkiye. Additionally, the Bank has organised a dedicated meeting with CSOs in Armenia, Yerevan as part of the EBRD's 33rd Annual Meeting and Business Forum.

The EBRD is currently in the process of revising the policies based on the feedback received during public consultations. The new policies along with Reports on Invitation to Comment will be approved by the EBRD Board of Directors in 2024, coming into effect from 1 January 2025.

EBRD stakeholder engagement – current review and key proposed changes

Draft 2024 Access to Information Policy

- Amended guiding principles, to include new principles of accessibility and proactive disclosure.
- Better defined exceptions to disclosure - to ensure that exceptions are only invoked where there is a legitimate risk of harm to be protected against.
- Removal of ‘Negative override’ - to signal EBRD's willingness to increase transparency and information disclosure and to support presumption of disclosure.
- **Draft 2024 Directive on Access to Information**
- Expanded institutional disclosure, particularly as regards to ESG information.
- More granular information on the Bank’s impact.
- Additional environmental and social disclosures at project level.

Draft 2024 Environmental and Social Policy (on monitoring, reporting and disclosure)

- Requirement for clients to provide information related to pollution risks, liabilities, provisions, or costs related to meeting the requirements of EU substantive environmental standards.
- Annual reporting to EBRD from clients when biodiversity offsets are required.
- Introduction of an internal management mechanism to systematically identify, manage and address project related grievances.

EBRD stakeholder engagement – challenges and opportunities

Challenges

- Aligning implementation of the policies with fast-evolving standards and regulations
- Balancing legitimate confidentiality concerns in information held by EBRD (e.g. commercially sensitive information) with expectations for increased transparency and accountability
- Assuring stakeholder engagement throughout project lifecycles, including by the clients

Opportunities

- Improved access to information and stakeholder engagement with the revised policies
- Enhanced engagement and user experience through the EBRD's new website (to be launched in 2025)
- Increased alignment with best international practice, allowing better comparability