

## Early and proactive engagement with civil society on review of EBRD governance policies

On 7 March the EBRD announced the start of the review process for three major governance policies, namely the 2008 Environmental and Social Policy, the 2011 Public Information Policy and the 2009 Project Complaint Mechanism Rules of Procedure.

### Early engagement

This is the *leitmotiv* of the EBRD's increased effort to conduct early engagement on strategic documents to ensure a productive and timely consultation process between all interested stakeholders in the shaping of the new policies. This comprehensive approach to consultation started in late 2012 in the context of the Energy Operations Policy review, which is still ongoing, and highlighted the need to ask for stakeholders' input at an early stage of the review process.

For the review of its three major governance policies the Bank will undertake a two-step process, which was broadly advertised on social media platforms for outreach purposes. The first phase, which was recently launched, is about information gathering and entails an invitation to the public to comment on the existing policies. This stage is aimed at collecting feedback from the Bank's stakeholders, in particular from civil society, about current challenges affecting the implementation of existing policies, identifying gaps in coverage and highlighting opportunities that can be built into the new policies to enhance the Bank's work.

During the second phase the Bank will open a consultation period of 45 calendar days on the basis of the draft revised policies and will engage in an extensive consultation process involving shareholders and stakeholders, including the

private, public and the civil society sectors. In particular, a number of consultation workshops with civil society will be organised throughout the EBRD region later this year.

According to the Public Information Policy (PIP), the EBRD discloses information and consults with its stakeholders regarding its strategies, policies and operations, and is mandated to post the draft texts of policies on its web site for 45 calendar days for public comment. However, the PIP neither prescribes the early engagement in the pre-draft stage nor the proactive outreach to interested stakeholders during the consultation period. Therefore, going beyond policy requirements, the Bank considers this two step process to be best practice in public consultations.



Comments and suggestions on the existing policies are welcome until 20 May 2013

## March 2013 In this edition

### Welcome to the CSO Newsletter 31

In this issue we update you on the review of the three major EBRD governance policies and on the opening of registration for the Civil Society Programme 2013. Also, you can learn more about the new political methodology of the Bank in a special interview with Alan Rouso, Managing Director of the External Action and Political Affairs department.

We also provide you with an overview of the meetings between the EBRD President, Sir Suma Chakrabarti and civil society in Jordan and of our latest meetings with civil society in the Western Balkans.

As always, we keep you up to date with the Bank's latest policy and country strategy dialogue with CSOs and recent projects.

### EBRD President meets civil society for the first time in SEMED

On 17 March, the EBRD President, Sir Suma Chakrabarti, together with the Board Director representing Jordan met with civil society and royal organisations in Amman. It was the first time the EBRD President had the opportunity to meet with civil society representatives on the ground in the southern and eastern Mediterranean (SEMED). The meeting demonstrated how the Bank is putting high on the agenda the dialogue with the civil society sector in the new region. The discussion touched on several issues affecting the operational environment in Jordan such as water scarcity, gender inequality and socio-economic disparities. The EBRD President emphasised that the Bank will consult extensively with the civil society sector in preparation for Jordan's country strategy, which is expected in the next 12 months. The opportunities for dialogue between the President and civil society in the EBRD region represent a fundamental step in the Bank's policy-making, which ensures a multi-faceted approach through extensive consultations with all three sectors, notably private, public and civil society.

→ For more information visit:  
[www.ebrd.com/pages/about/policies/governance.shtml](http://www.ebrd.com/pages/about/policies/governance.shtml)



## An interview with Alan Rousso, Managing Director

On 26 February, the EBRD Board of Directors approved the new political methodology of the Bank, which will provide guidance for the Bank’s political assessment of its countries of operations. We interviewed Alan Rousso, Managing Director of the External Action and Political Affairs department, to find out more:

### Why did the Bank embark on a review of the political methodology?

The methodology for conducting regular political assessments of countries of operations was approved by the Board in 1991 in a paper titled “Procedures to Implement the Political Aspects of the Mandate of the EBRD” (hereafter: “Procedures”). The methodology incorporated the essential elements of a modern democracy – free elections, the rule of law and civil and human rights – and stood the test of time. But a lot of thinking about what makes a state democratic has occurred during the past 20 years or so, and the shareholders of the Bank felt that it was a good opportunity to subject the methodology to a more thorough review and to update it as necessary. In addition, there was a desire to ensure that the Bank’s political assessment methodology and criteria would allow for cross-country comparability and could adequately take account of any additional aspects that might be of particular relevance to the extended EBRD region of operations in the southern and eastern Mediterranean (SEMED) countries.

### How was the review conducted and what was the role of civil society?

The review was conducted by the Stakeholder Relations department (SRD) during 2012 with the close involvement of the EBRD Board of Directors and extensive consultation with external stakeholders. SRD prepared a set of issues to frame the discussions and organised four multi-stakeholder workshops in addition to a series of meetings in selected countries of operations and one potential recipient country (Belgrade, Moscow and Cairo). The multi-stakeholder workshops included three held in London (with representatives of international organisations, international NGOs and European academic institutions) and one at Stanford University in California (with US-based academic specialists). In addition, SRD held a meeting with civil society representatives on the margins of the Bank’s Annual Meeting in London in May 2012.

The main findings from all these consultation sessions and the work conducted by the political counsellors in SRD were then presented to the Board of Directors with a set of recommendations for updating the Procedures paper, which was revised following agreement with the Board.

From this description, you can see that the role of civil society – broadly defined to include NGOs, think-tanks and academics, was critical in the review of the Procedures paper.

### What are the main features of the updated methodology?

The Bank still relies on qualitative and balanced judgements in assessing the extent to which countries meet the various criteria listed as relevant to multiparty democracy and pluralism. We will still ground these judgements in views expressed by well-respected and credible “reference sources” such as reports by various UN agencies, the Council of Europe and the Organization for Security and Co-operation in Europe (OSCE).

The main change is to the criteria themselves which are now more extensive and address issues somewhat differently than in the past. For example, it is now clearer that the Bank looks at whether elections are free, fair and competitive (not just “free” as under the previous methodology). The criteria add in new dimensions such as whether elected officials have effective power to govern, whether there are effective means to control corruption and whether there are adequate provisions to guarantee political inclusiveness and protection against the discrimination of women, ethnic and other minorities. Lastly, and importantly, the updated methodology puts a much stronger emphasis on the role of civil society in holding elected officials accountable and on the conditions for CSOs to function freely and openly.

*“The updated methodology puts a much stronger emphasis on the role of civil society in holding elected officials accountable”*



Alan Rousso  
Managing  
Director



For more information on the EBRD's dialogue with civil society visit:  
[www.ebrd.com/pages/about/workwith/civil/news](http://www.ebrd.com/pages/about/workwith/civil/news)

## Enhancing CSO input in country strategies

As part of the development of its country strategies, the EBRD held consultation workshops in Kosovo and FYR Macedonia to solicit civil society's feedback on the respective country strategies.

### Kosovo

On 12 March, the EBRD Resident Office in Kosovo hosted its first workshop with civil society, which attracted 29 participants of organisations from different backgrounds including environment, gender and social entrepreneurship. All communities were represented and the main concerns expressed by civil society related to pollution, energy shortage, high unemployment and gender inequality. Such strong public participation in the workshop was of particular significance as Kosovo became the newest member of the EBRD in December 2012 and this will be the Bank's first country strategy for Kosovo.



Pristina, Kosovo

### FYR Macedonia

On 13 March, the EBRD Resident Office in FYR Macedonia hosted a meeting with civil society organisations in Skopje, which gathered 21 representatives from think-tanks. A number of suggestions were raised regarding the need of a more proactive outreach to small and medium-sized enterprises (SMEs) across the country; the importance of investments in small-size municipalities, which tend to be consistently neglected by infrastructure projects; and the need to invest in gasification.

## Board Consultation Visits

Delegations of the EBRD Board Directors travelled to Bosnia and Herzegovina (17-20 March) and Croatia (20-22 March) to familiarise themselves with the latest political, social and economic developments in the countries. Meetings with local CSOs relevant for the work of the EBRD were part of each Board visit.

### Visit to Bosnia and Herzegovina

On 17 March, the Board Directors met representatives of the civil society sector in Sarajevo. The civil society organisations attending the meeting were coming from both the Federation of Bosnia and Herzegovina and Republika Srpska and were namely the Centre for Environment Banja Luka, the Centre for Civic Initiative and Women for Women International. Participants discussed the energy needs versus production in the country and raised concerns about corruption as an obstacle to democratisation and economic growth and the untapped potential of women in the labour market.

### Visit to Croatia

On 21 March, the Board of Directors met with representatives of the civil society sector in Zagreb, namely Green Action, DOOR, GONG, Transparency International and Women in Adria. At the meeting participants exchanged their views regarding the role of civil society in the EU accession context, discussed the Strategic Investment Act, and raised concerns about particular energy sector projects supported by the EBRD, such as the Ombla hydroelectric power plant. The challenges faced by women entrepreneurs and women in the corporate sector were also discussed.



## Civil Society Programme 2013 now open for registration

The Civil Society Programme will take place on 9-11 May 2013 in Istanbul, Turkey, and as in previous years will be held in parallel with the EBRD Annual Meeting of the Board of Governors and Business Forum. The online registration is now open and participation is free of charge.

Join our event by registering at <http://ebrd2013.com/>



## Recent projects

### Nuclear Power Plant Safety Upgrade Programme | Power and Energy | Ukraine

The EBRD is supporting the upgrade of Ukraine's nuclear power plants with a €300 million loan. The programme includes a comprehensive set of measures according to reactor type and will bring the country's operating nuclear reactors in line with international standards and local regulations. The upgrade will cost €1.4 billion in total, of which Euratom will contribute another €300 million, and is scheduled for completion by end-2017. The upgrade will include up to 87 safety measures which will address design safety issues, improved instrumentation and control for safety relevant systems and organisational improvements for accident management. The EBRD loan follows the successful cooperation between the Bank, Euratom and Ukraine to improve safety in Khmelnytsky 2/Rivne 4 nuclear power plant units between 2004 and 2009 which were the first units in Ukraine to be modernised towards reaching internationally accepted safety standards. The wider upgrade programme, which the EBRD and Euratom are now joining will ensure that the remaining units are also brought to this level.

→ For more information visit:  
[www.ebrd.com/pages/news/features/ukraine-nuclear-safety-upgrade.shtml](http://www.ebrd.com/pages/news/features/ukraine-nuclear-safety-upgrade.shtml)

### Oyu Tolgoi | Mining | Mongolia

The EBRD is providing US\$1.4 billion to further develop the Oyu Tolgoi copper and gold deposit in the Gobi region of Mongolia. Before the Board approval, a comprehensive environmental and social appraisal of the project was conducted by the Bank to assess its compliance with the EBRD Environmental and Social Policy. The EBRD environmental and social experts have made numerous visits to the site to review and observe critical aspects of the project and to meet representatives of affected communities. In addition, a number of meetings were held with international and local NGOs in the EBRD Headquarters in London and Ulaanbaatar to discuss the environmental, social and technical aspects of the project. The report on the EBRD Consultation Activities Post Disclosure of ESIA, which addresses major areas of concern in relation to the project, has been made available on the EBRD's web site alongside the Project Summary Document.

→ For more information visit:  
[www.ebrd.com/english/pages/project/psd/2012/41158.shtml](http://www.ebrd.com/english/pages/project/psd/2012/41158.shtml)

## Meet Aiko Kado

Ms Aiko Kado has started work at the CSE Unit as the Civil Society Manager, responsible for establishing a new Civil Society Partnership initiative which aims to build the capacity of CSOs. Before joining the EBRD, Aiko held a number of positions at the United Nations Development Programme focusing on financial/budgetary management, including in Kosovo where she worked on the implementation of a grant projects targeting local CSOs. Before that, Aiko worked in the financial sector both in Luxembourg and London and the Ministry of Foreign Affairs of Japan. Aiko holds an MA in Political Science and Law from the University of Tokyo, a BA in Law and International Relations from the Sophia University in Tokyo, as well as a Diploma in Political and Social Sciences from Institut d'Etudes Politiques de Paris. She speaks fluent English and French in addition to her native Japanese.



## Key dates and contacts

### Public comments period

Country strategies	
FYR Macedonia	19/02/2013 - 04/04/2013
Kosovo	05/03/2013 - 18/04/2013
Croatia	12/04/2013 - 28/05/2013
Georgia	22/04/2013 - 06/06/2013

### Sectoral strategies and policies

Transport Strategy	Second quarter 2013
Project Complaint Mechanism	07/03/2013 - 20/05/2013
Environmental and Social Policy	07/03/2013 - 20/05/2013
Public Information Policy	07/03/2013 - 20/05/2013

### Board Consultation Visits

Azerbaijan and Georgia	April 2013
Russia	June 2013

## Contacts

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