

## 7. Social impact



The EBRD believes that equal access to economic opportunity is integral to sustainable market development. In 2021, the Bank more than doubled the share of its projects that address gender inequality. It introduced new strategies to support gender equality and equality of opportunity, as well as a policy on how personal data must be processed by or on behalf of the Bank. The Bank also consulted civil society organisations (CSOs) on several policies to support its activities. More details can be found in this chapter.

### Economic inclusion and gender equality

From 2020 to 2021, the EBRD more than doubled the share of its projects that address gender inequality up to 35 per cent. However, women and other marginalised groups in the economies where the Bank operates continue to face difficulties in accessing the same economic opportunities as men. Covid-19 has exacerbated those inequalities, with education severely disrupted and job opportunities for young people hindered. Women have shouldered the bulk of additional care responsibilities and their labour-force participation has dwindled. It is particularly hard for women and rural populations to share in the gains of the digital revolution.

Integrating women as equal economic actors could substantially strengthen growth and innovation. The EBRD regions would be better equipped to respond to shocks and long-term stressors such as demographic change, boosting gross domestic product (GDP) by at least [US\\$ 400 billion by 2025](#)<sup>3</sup>. The Bank introduced two new strategies in 2021 to support its commitment to equality across its regions.

The [Strategy for the Promotion of Gender Equality](#) (2021-25) will expand the mainstreaming of gender equality activities across the EBRD's operations, making it an integral part of the Bank's business model. The share of projects with a gender component will increase from 18 percent in 2021 to 40 percent by 2025. This aligns with [SDG5: women's equality and empowerment](#).

The [Equality of Opportunity Strategy](#) (2021-25) recognises that the characteristics behind inequality of opportunity overlap and intersect and can change throughout a person's life. The strategy's "human capital approach" supports the needs of a national or sectoral workforce rather than limiting its focus to those of a specific target group. It further supports the inclusivity of regions, financial systems, urban regeneration and infrastructure, among other things. The Bank will promote a more strategic focus on the "future of work" through [digital](#), green and STEM (science, technology, engineering and mathematics) skills development. It will achieve the aims of the Strategy through inclusive investments that will scale up from an annual share of 11 percent (2020) to 25 percent of projects by 2025.

Gender inclusion is now fully mainstreamed into GCAPs under the **EBRD Green Cities** umbrella. A notable example of the success of mainstreaming in 2021 was the Romanian city of Lasi, which incorporated gender inclusion into its green objectives. The city integrated gender considerations into energy-efficient designs and investments in public and commercial buildings.

The EBRD joined other MDBs as part of the **2X Climate Finance Task Force** at COP26 to promote gender equality and women's empowerment in climate finance investments. The task force presented a new [toolkit](#) – the Gender-Smart Climate Finance Guide – on behalf of the 2X collaborative on Gender Day. The guide offers guidance, tools, analysis and case studies to help investors identify investment opportunities and mitigate risk in gender and climate financing.

**Assessing the investment climate for women**



<b>Kyrgyz Republic</b>
To promote inclusive financial systems and business environments conducive to women's entrepreneurship, the EBRD implemented a gender-responsive investment climate assessment. This helped to identify the legal and policy-related obstacles that women entrepreneurs face when starting and operating their businesses and when integrating into regional value chains.
  
<b>Donors:</b> We-Fi
<b>Loan:</b> US\$ 82,000
<b>Impact:</b> The assessment led to a reform of the business licensing system, simplifying it, reducing the costs of doing business and improving regulatory oversight of government authorities.

3 See McKinsey Global Institute (2015), [The Power of Parity](#).

## Developing green and digital skills



<b>Albania</b>
Young people working for energy distributor OSHEE are being offered work-based opportunities to improve their technical, digital and energy efficiency-related skills. Courses take into account skills that will be required by the client and the industry more broadly, supporting the green economy transition and digitalisation in the context of the ‘future of work’. A gender participation quota of 50 per cent will enhance the role of women in the energy sector.
<b>Donors:</b> Technical cooperation funds from Japan
<b>Loan:</b> EBRD finance of €70 million; technical cooperation funds of €75,000
<b>Impact:</b> Over a four-year repayment period, more than 250 young people will gain accredited, market-relevant skills.

## Human rights

### Covid-19 and digitalisation

Covid-19 continued to affect the economies in which the EBRD operates, exacerbating certain vulnerabilities and human rights risks. The increased use of online platforms and digital tools heightened data privacy and digital surveillance concerns. In 2021, the EBRD published a [Personal Data Protection Policy](#) setting out core principles relating to all personal data processed by or on behalf of the Bank, with a focus on protecting stakeholders, including clients, CSOs and communities. The policy provides for the submission of a complaint to the EBRD Personal Data Review Panel within 90 days of becoming aware of an alleged violation, through the [data subject complaint form](#). Cyber security and data privacy issues were also incorporated into the [EBRD’s approach to accelerating the digital transition 2021-25](#), and the Bank’s due diligence approaches are being updated to reflect the changing environment.

In November 2021, the Bank refined its already robust ethics framework, including changes to whistleblowing and non-retaliation provisions. A newly-formed Ethics Committee will, among other things, receive and investigate allegations of misconduct against certain “covered persons”, namely: (i) Board Officials, (ii) the President, (iii) Vice Presidents, (iv) the Chief Evaluator, (v) the Chief Accountability Officer, (vi) the Chief Compliance Officer, and (vii) the Chief Internal Auditor. The Bank’s Whistleblowing Policy prohibits retaliation, provides guidance on available reporting channels and outlines the process for seeking and obtaining interim and final protection measures. New Bank staff already receive mandatory training on this policy. A Bank-wide mandatory e-learning course on the policy will be developed in 2022.

The rapid growth in online communication has also accentuated the digital divide, leaving some stakeholders without access to the necessary tools to communicate with the Bank or provide meaningful feedback on its projects. In 2021, the EBRD facilitated a virtual meeting with members of the International Financial Institution Working Group on Transparency, Disclosure, and Stakeholder Engagement to discuss digital communications. Recommendations included using secure channels, the continued use of hybrid engagement methods in places where there is insufficient access to online tools, and taking into account the needs of local people when planning stakeholder engagement activities.

The EBRD also redoubled its efforts to uphold high standards in social and environmental due diligence and monitoring, despite the limitations on site visits. The Bank identified experienced environmental and social consultants and offered them training to support their on-the-ground assessment of EBRD projects. [Training materials](#) were published online in Arabic, English, Russian and Turkish, and consultants received training on the Bank’s 2019 [ESP](#) and Performance Requirements.

An EBRD project in Turkey and Georgia identified and addressed the training needs of community liaison officers (CLOs) for stakeholder engagement during the pandemic and beyond. CLOs are key to the success of Bank activities, as a critical interface between Bank projects and the communities impacted by them. Interviews and site visits to selected projects provided insight into their needs. Training included complex

## Climate finance supports women entrepreneurs



<b>Serbia</b>
A funding and technical support programme for financial institution UniCredit Leasing was completed in 2021, with a view to improving women’s access to green technologies. A framework examined access to information on climate risks and mitigation among women and men, taking into account their different needs, priorities, vulnerabilities and coping strategies. It also addressed obstacles to accessing finance for related technologies.
<b>Donors:</b> GCF and government of Luxembourg
<b>Loan:</b> €20 million
<b>Impact:</b> More equal access to climate finance for male and female sub-borrowers for the adoption of green technologies, in order to develop climate resilience.

negotiation techniques, combatting misinformation, managing serious grievances, dealing with aggression or conflict, and gender-sensitive stakeholder engagement methods. Online training modules will be developed and made available to CLOs across the Bank's regions.

### Gender-based violence and harassment (GBVH)

The pandemic also exacerbated gender inequalities and GBVH. In 2021, the EBRD introduced further measures to prevent and mitigate gender risks throughout the project appraisal and monitoring process, for example, by addressing risks in project ESAPs. Bank staff received training on GBVH risk screening, appraisal and monitoring procedures, reporting protocols and engagement with clients.

The Bank piloted a capacity-building project for public and private-sector clients in Turkey on addressing GBVH in the workplace. It reviewed the existing legal and support framework for dealing with GBVH. Country-specific guidance for the private and public sector is being developed with the participation of clients. Public representatives from four municipalities (Istanbul, Izmir, Ankara and Mersin) and more than 50 representatives from the private sector attended two roundtables dedicated to shaping GBVH guidance and training modules based on their needs. Clients will receive training on GBVH prevention and response and be given access to a range of resources. Country-specific support programmes will be rolled out to other EBRD investee economies in 2022.

### Workers' rights

Remote labour risk assessment and monitoring tools were developed to ensure robust EBRD standards on workers' rights were applied to all projects during Covid-19 restrictions. They focused on clients with large workforces and extended supply chains. Sector-specific labour training was offered to clients and consultants in agribusiness, retail, energy and manufacturing. In Uzbekistan, a two-year capacity-building programme on labour rights and standards was completed in December 2021. A country-specific practical labour toolkit was produced, and training and mentoring were delivered to clients, consultants and other partners.

Covid-19 has exacerbated supply-chain disruptions in some sectors and demonstrated, in certain cases, weaknesses and a lack of resilience. In some instances, it has highlighted a lack of transparency and influence to prevent or remedy labour exploitation, particularly of the most vulnerable workers. The EBRD developed internal guidance to support staff in implementing supply-chain requirements on child labour, forced labour and worker health and safety and in establishing roles and responsibilities for clients, their suppliers and the Bank.

In the solar energy sector, allegations of forced labour and other human rights violations proved challenging to assess and tackle in the short term. The EBRD collaborated with other international financial institutions to develop a common risk management approach to supply-chain due diligence, tailored to the solar sector, and outline a phased approach to overcoming these challenges.

## Civil society engagement

Ongoing dialogue with CSOs allows the Bank to hear concerns, as well as proposed solutions, at grassroots level. The EBRD works towards inclusivity and transparency,<sup>4</sup> with CSOs regarded as valued partners in achieving these goals. CSOs often operate under constraints, with limited resources and capacity, and are not always able to engage with the EBRD, its private-sector clients or governments in an effective and sustainable manner. The Bank's [Capacity Enhancement Framework](#) aims to bridge that gap through capacity-building projects that help them to contribute more constructively to the Bank's goals of greater economic inclusion, good governance and digital transformation.

In 2021, the EBRD consulted CSOs on a number of policies, including:

- the EBRD's new Gender and Economic Inclusion Strategy, which aims to boost equality of opportunity and advance women's economic empowerment
- Accelerating the Digital Transition, where CSOs heard the EBRD's approach and provided feedback and shared their experiences
- the methodology to determine the Paris Agreement alignment of projects directly financed by the EBRD. The Bank presented its strategy and engaged with CSOs who offered feedback and recommendations. A public consultation on the alignment of indirectly financed projects was held in January 2022.

Over the course of 2021, the EBRD also held several public events on the role of CSOs. This included a symposium on how to build more inclusive and vibrant societies, where civil society serves as a crucial "third pillar", balancing the state and the private sector. Another event examined how MDBs can enhance the role of CSOs in delivering better and more inclusive policies and investments. A panel discussion explored how the decisions taken at COP26 could affect the lives of future generations. Participants were invited to consider how international financial institutions, including the EBRD, could cooperate with CSOs for climate action to be meaningful and inclusive.

<sup>4</sup> Collaboration between the EBRD and CSOs aims to support the [EBRD's Environmental and Social Policy](#), and promote the EBRD's commitment to good governance.

### Supporting anti-corruption initiatives



#### Regional - Central Asia

The EBRD and United Nations Office on Drugs and Crime (UNODC) established national-level dialogue [platforms](#) in Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan to coordinate and foster public-private partnerships on anti-corruption. An initial pilot initiative in Uzbekistan supported the implementation of the 2018 Law on Public Control, promoting independent oversight and aiming to set a benchmark for the region.



**Donors:** EBRD Shareholder Special Fund and UNODC (co-funding)

**Loan:** €292,000

**Impact:** The initiatives enhanced the engagement of civil society in anti-corruption efforts and promoted more transparent and accountable governance systems.

### Civil society gets a digital transformation boost



#### Turkey

The EBRD launched its first project under the Digital Transformation of Civil Society Programme, aiming to increase CSO preparedness for the “digital world”. A pilot project assessed the digital needs of organisations, provided them with funding and offered them digital mentoring. Mentees developed digital strategies to transform the way they work. The programme will be launched in other countries in 2022.



**Donors:** EBRD Shareholder Special Fund and the Support Foundation for Civil Society (co-funding)

**Loan:** €74,000 (€49,000 EBRD Shareholder Special Fund + €25,000 Support Foundation for Civil Society)

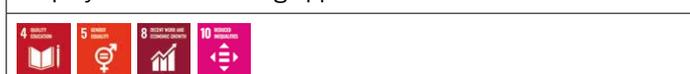
**Impact:** The skills and institutional capacity of five environmental NGOs were increased, with a specific focus on digital transformation.

### Economic inclusion in the hospitality sector



#### Jordan

The EBRD partnered with the Jordanian Restaurant Association to support more inclusive recruitment processes to increase the economic participation of underrepresented communities, including women, young people and refugees. A web portal dedicated to the tourism and hospitality sector aims to connect jobseekers and employers to improve employment and training opportunities.



**Donors:** UK Investment Climate & Governance Fund

**Loan:** €98,000

**Impact:** Employment opportunities were opened up for women, youth and Syrian refugees and a job brokerage platform was introduced, dedicated to the tourism and hospitality sector.

### Health and safety

#### Road safety

The UN's second Decade of Action for Road Safety was launched in 2021, with the ambitious target of preventing at least 50 per cent of road traffic deaths and injuries by 2030. A new [Global Plan](#) calls for improvements in the design of roads and vehicles, the legal environment and emergency care. In line with these goals, in 2021, the EBRD continued to address road safety in its urban transport projects, implementing child-friendly speed management around schools and planning further training across its regions. The Bank also appointed its Vice President Risk and Compliance and Chief Risk Officer as its Road Safety Champion. She is the most senior Bank official named to this role to date.

Other highlights of 2021 include:

- delivering road-safety engineering training in Azerbaijan
- conducting outreach activities in the Western Balkans, bolstered by the translation of the Bank's Road Safety Engineering eLearning training course into Serbian
- supporting Serbia's state [road agency](#) in implementing the ISO39001 standard for its traffic safety management system
- supporting a Ukrainian logistics company in [implementing ISO39001](#), helping it to reduce traffic accidents by almost 40 per cent in 2021
- delivering workshops in Kyrgyzstan, Lebanon and Tajikistan to key stakeholders involved in [post-crash response](#); developing a toolkit and training to improve post-crash emergency operations.

### Promoting safer road use



**Moldova**

The Safer Villages Initiative aims to mitigate risks relating to the rehabilitation of the M3 road, which was financed by the EBRD. Engagement with local communities, schools and children in the villages of Congaz, Svetlii, Chirsova and Comrat is helping to raise awareness of road- and traffic-related risks to help prevent road traffic collisions.

**Donors:** EBRD Special Shareholder Fund (SSF)

**Loan:** €18,400

**Impact:** Sharing key messages with children, parents and teachers will help support safe road use.

### Covid-19

In July and August 2021, the Bank carried out an assessment on the impact of the pandemic on the use of public transport in the Western Balkans. Funded by the [Central European Initiative](#), respondents included passengers, non-governmental organisations (NGOs), local municipalities and public transport operators. Focusing on Pristina, Sarajevo, Banja Luka, Belgrade, Novi Sad, Skopje and Tirana, the study found that:

- there had been a huge decline in use of public transport
- public transport operators suffered massive losses
- there had been insufficient assistance and support from local authorities
- the majority of public transport users felt unsafe on public transport
- there was inadequate infrastructure to ensure mobility safety for vulnerable people
- no specific actions were taken to protect the health and safety of vulnerable people
- there was limited communication with the public on health and safety issues on public transport
- no national research was undertaken on the impacts of the pandemic on public transport operations
- there were insufficient traffic safety data.

### Public transport

was the **most frequently used** type of transport **before the pandemic**, but private cars became the most preferred mode during the pandemic

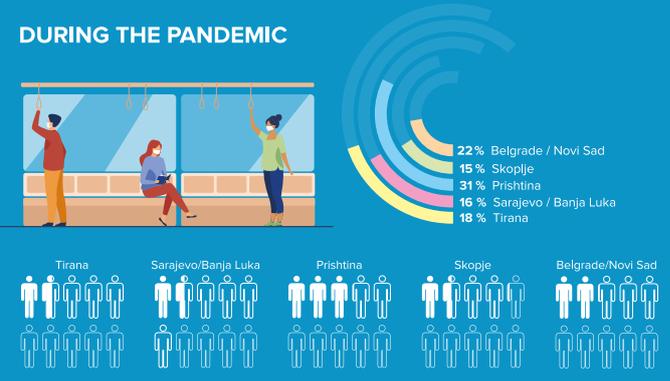
#### FREQUENT USERS OF PUBLIC TRANSPORT

##### BEFORE THE PANDEMIC



City	Percentage
Belgrade / Novi Sad	53%
Skopje	42%
Pristina	56%
Sarajevo / Banja Luka	60%
Tirana	55%

##### DURING THE PANDEMIC



City	Percentage
Belgrade / Novi Sad	22%
Skopje	15%
Pristina	31%
Sarajevo / Banja Luka	16%
Tirana	18%

#### PEOPLE WHO FEEL COMPLETELY SAFE

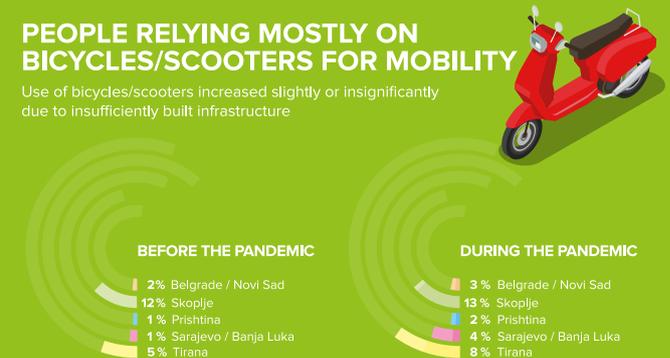
Only a minority of public transport passengers feel completely safe in public transport



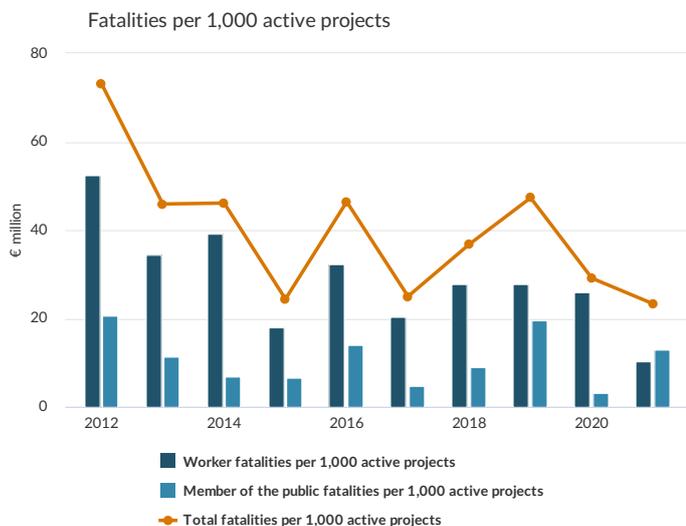
City	Percentage
Belgrade / Novi Sad	10%
Skopje	4%
Pristina	24%
Sarajevo / Banja Luka	6%
Tirana	6%

#### PEOPLE RELYING MOSTLY ON BICYCLES/SCOOTERS FOR MOBILITY

Use of bicycles/scooters increased slightly or insignificantly due to insufficiently built infrastructure



Category	City	Percentage
BEFORE THE PANDEMIC	Belgrade / Novi Sad	2%
	Skopje	12%
	Pristina	1%
	Sarajevo / Banja Luka	1%
	Tirana	5%
DURING THE PANDEMIC	Belgrade / Novi Sad	3%
	Skopje	13%
	Pristina	2%
	Sarajevo / Banja Luka	4%
	Tirana	8%



## Independent Project Accountability Mechanism

The [Independent Project Accountability Mechanism](#) (IPAM), the EBRD’s accountability mechanism, completed its first full year of operation in July 2021. IPAM receives and reviews concerns raised by individuals and CSOs about Bank-financed projects believed to have caused harm.

IPAM addresses the concerns of affected communities through two functions: (i) the compliance review seeks to determine whether the EBRD has complied with its ESP and/or project-specific provisions of the Public Information Policy; (ii) problem solving aims to restore dialogue between the affected parties and the client to resolve issues without attributing blame or fault.

Promoting access is a key mandate of any effective mechanism. In 2021, IPAM produced its first [Outreach Strategy 2021-24](#) to promote safe access to IPAM by external stakeholders and to provide Bank staff with training to raise awareness about the mechanism. The strategy is based on the [UN Guiding Principles on Business and Human Rights](#) effectiveness criteria for non-judicial grievance mechanisms and the Project Accountability Policy guiding principles.

In 2021, IPAM organised outreach workshops in Uzbekistan and Turkey, hosted a session with CSOs during the EBRD’s Annual Meeting, and participated in panels organised by partner institutions on varied topics such as “promoting access to mechanisms”, “supply chain and accountability” and “effective monitoring”.

IPAM recognises that the most effective way to respond to community concerns is through in-person engagement. As soon as Covid-19 travel restrictions eased, IPAM visited project sites and met with affected parties and other stakeholders where it had cases in both the compliance-review and problem-solving stages. While this is particularly important for building relationships with communities as part of a problem-solving process, it is vital for fact finding in a compliance investigation.

By year end 2021, IPAM had an active portfolio of 13 cases, including: one in assessment, three in problem solving, two in compliance assessment, four in compliance review and three in monitoring of management actions plans. These plans outline the action to be addressed by EBRD management in response to compliance review recommendations. IPAM monitors the implementation of management action plans semi-annually.