

ENVIRONMENTAL AND SOCIAL ADVISORY COUNCIL (ESAC) MEETING: 23rd March 2015

The Environmental and Social Advisory Council (ESAC) met at EBRD's offices in London on 23rd March 2015. The meeting was opened by Managing Director, Environment and Sustainability Department Alistair Clark who welcomed the ESAC members present:

Marta Bonifert
Fiona Murie
Evgeny Shvarts
Dasa Silovic
Marko Slokar
David Wheeler
Jan-Olaf Willums.

Betsy Nelson, Vice President and Chief Risk Officer also provided ESAC with a recap of the Bank's accomplishments in 2014 and highlighted some of the geopolitical and financial challenges that lay ahead.

Sessions One: EBRD Gender Strategy

This session was introduced by Michaela Bergman, ESD's Chief Social Counsellor. The presentation provided background information on the establishment of EBRD's Gender Team, the development and implementation of the Bank's Strategic Gender Initiative (SGI) and how, since the first year of implementation of the SGI, investments with a gender component have increased by approximately 300%. Furthermore, implementation of the SGI has (i) demonstrated scope and demand for the promotion of gender equality within the Bank's operational approach, (ii) provided opportunity to mainstream gender equality into the Bank's country and sector strategies and to revise policies and procedures, and (iii) promoted operations that increased women's access to finance, employment and services. However lessons from the SGI have also demonstrated that while providing access to women is the "starting point", it cannot reverse many of the structural and social barriers that perpetuate inequality.

Accordingly, EBRD is in the process of developing a formal Gender Strategy that will align the Bank's approach with good international practices and international policy development. Specifically, the vision for the Bank's Gender Strategy and Countries of Operations is one where women and men of any socio-economic status will have the same rights and opportunities to access loans, run a business, be a manager, participate in decision making processes affecting their lives and have equal and safe access to services and resources. The Bank's Strategy will therefore aim to take a transformative gender mainstreaming approach that is directly in line with both EBRD's transition mandate and its 2014 Environmental and Social Policy. Key themes to be addressed in the Gender Strategy include (i) Creating an enabling environment, (ii) Voice, agency and participation, (iii) Engaging men for gender equality, (iv) Sustainability & innovation and (v) Contributing to better data and measurement of results. It is anticipated that the Gender Strategy will be finalised by December 2015.

ESAC members congratulated the Gender Team for its achievements since its inception in 2013. They were particularly impressed with the Team's animated video aimed at getting EBRD clients thinking about the benefits of gender diversity in their workplaces. Going forward, ESAC encouraged the Bank to be bold in its approach and to align itself with the various ongoing global initiatives, including the UN Sustainable Development Goals. Concerning advancing the Gender Strategy, ESAC provided the Bank with contacts in the public and private sector to include in the stakeholder engagement process, as well as comments on the report structure and objectives.

Session Two: Environmental and Social Performance Indicators

Martin McKee, Senior Environmental Advisor, introduced the Bank's new system of Key Performance Indicators (KPIs) that have been designed to assess and monitor projects' compliance with EBRD's revised Environmental and Social Policy (2014) and Performance Requirements (PRs). The indicators are an integral part of the Environment and Sustainability Department's (ESD) newly established Assurance Framework that was launched in 2014 with an overall aim to enhance and standardise the Bank's approach to environmental and social risk management. Specifically, the KPIs will help ESD measure overall project compliance with the 2014 Performance Requirements. They therefore reflect the standards and conditionality that the Bank asks our client to meet, and will enable ESD to build up a comprehensive picture of compliance across the Bank's portfolio and over time. This should allow EBRD to measure whether, and to what extent, our involvement helps move projects toward environmental and social good practice. The system should also help to identify trends, for example whether there are particular difficulties in implementing specific PRs in certain sectors. This kind of analysis should further allow ESD's management to allocate resources, identify training needs for staff, or request targeted TC support for certain clients. These indicators will complement EBRD's other sectoral and strategic impact data collection, for example related to gender, GHG's and public access to amenities.

ESAC were supportive of this initiative and highlighted the need to coordinate with other teams / Bank wide initiatives and to make these results publicly available.

Session Three: Civil Society Capacity Building Framework

Olga Filippova, Principal Civil Society Manager, provided ESAC with an overview of the Bank's Civil Society Capacity Building Framework that was approved by the Strategy and Policy Committee on 3 July 2014, following the successful implementation of the Civil Society Capacity Building Pilot Initiative in 2013-2014. The key objective of the Framework is to raise awareness and achieve the transfer of knowledge and skills to local civil society groups and organisations affected by specific EBRD financed projects and policy dialogue initiatives. Through the Framework, the CSO Team has put in place innovative instruments to allow the Bank to be more proactive in working with civil society, the general public, relevant authorities and other stakeholders.

ESAC members shared their experiences with similar initiatives and expressed the need to (i) identify clear objectives for the framework, (ii) to establish eligibility criteria for identifying who the Bank should work with, (iii) to take a regional approach vs. country approach, and (iv) identify potential organisations / partners with whom EBRD could collaborate with (e.g. World Bank, Trade Unions, other MFIs).

Session Four: Project Complaint Mechanism: Management Overview of Compliance and Lessons Learned

Dariusz Prasek, Director Project Appraisal in ESD provided ESAC with (i) an overview of how the PCM process works (ii) a summary of past and on-going complaints in front of the Bank, and (iii) a summary of the various lessons learned by the Bank and how these have been addressed by Management (e.g. revisions to the Environmental and Social Policy to remove aspirational language, the development of implementation guidance materials and training as part of the Assurance Framework and direct enhanced engagement with CSOs and project affected persons. ESAC were also pointed to the EBRD website where management responses can be found:

<http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism/pcm-register.html>.

ESAC voiced their support for the PCM process. They also recognised the complexity of the projects that the Bank finances and the challenges EBRD faces to satisfy its various stakeholders. Going forward, ESAC would like the PCM office work with civil society so that we get a better representation from actual project affected persons (vs. one or two CSOs). ESAC would also like to better understand the costs (both financial and reputation) associated with PCMs. Finally, given the relevance of this subject, ESAC would like for future meetings to include PCM updates, as and when appropriate.

Session Five: Wrap up

Dr Clark thanked ESAC members for their active participation during the meeting. It was agreed that the next ESAC meeting would address a number of emerging issues, including (i) IFI commitments to the International Aid Transparency Initiative (IATI), (ii) how EBRD will align itself with the UN's Sustainable Development Goals, (iii) the Bank's strategy for SMEs; and (iv) how climate change and energy efficiency are incorporated into the Bank's policies and strategies.