

MANAGEMENT ACTION PLAN

The Compliance Review Report made three recommendations which are specifically intended to 'address the findings of non-compliance at the level of EBRD systems or procedures in relation to a Relevant EBRD Policy, to avoid a recurrence of such or similar occurrences' (Paragraph 44 of the 2014 PCM Rules of Procedure). Management note that two of the recommendations are already being implemented independently of this PCM case as a result of continuous improvement of project risk management and project performance enhancement on labour matters. The third recommendation is related to procurement matters not subject to the PCM consideration as per Paragraph 14 of the 2014 PCM Rules of Procedure. Furthermore, Management note that the implementation of all or any of these recommendations would not have avoided this particular case from occurring and thus question the appropriateness of the proposed actions in terms of future avoidance of such occurrences under similar circumstances.

PCM Recommendation 1: ensure strict adherence to its own recently developed (internal) PR 2-specific risk assessment tool.

Management Comment 1

As a part of continuous improvement in project risk management and performance, during 2016 and 2017 EBRD developed and is now implementing a comprehensive toolkit for addressing PR2 related matters during project due diligence and monitoring. These guidance notes are developed in accordance with international best practice. EBRD has carried out and will continue staff training as needed on the PR2 toolkit, including specific training on the risk assessment tool. EBRD will continue using the PR2 specific tools it has developed.

Management Action 1: ensure strict adherence to the PR 2-specific risk assessment tool.

This action was initiated prior to this PCM case as continuous improvement of project risk management and project performance enhancement on labour matters: Timeline – Completed.

PCM Recommendation 2: consider introduction of enhanced non-employee worker protection requirements into the process of selection of contractors

Management Comment 2

The proposed action addressing contractor selection process relates to procurement matters. Pursuant to Paragraph 14 of the 2014 PCM Rules of Procedure, procurement related matters are not eligible to be registered and addressed by PCM. Notwithstanding, Management has directed the matter to the appropriate office of the Bank and will ensure further cooperation between relevant departments to address potential overlaps in respective responsibilities. While procurement matters are outside the PCM, Management affirm that Bank's Standard Conditions of Contract include relevant provisions for (i) Engagement of Staff and Labour, (ii) Rates of Wages and Conditions of Labour, (iii) Labour Laws, (iv) Facilities for Staff and Labour, (v) Health and Safety, and other related provisions to protect and safeguard the rights of labour.

PCM Recommendation 3: the Bank should actively highlight its recent Guidance Note on Employee Grievance Mechanism

Management Response 3

As of December 2017 EBRD made the EBRD Guidance Note on Employee Grievance Mechanism publicly available on its website (<http://www.ebrd.com/who-we-are/our-values/environmental-and-social-policy/implementation.html>). EBRD is advising clients and consultants to utilise all the labour related guidance notes, including the one on employee grievance mechanism. These guidance notes are developed in accordance with international best practice.

Management Action 3: actively highlight the Guidance Note on Employee Grievance Mechanism

This action was initiated prior to this PCM case as a result of continuous improvement of project risk management and project performance enhancement on labour matters: Timeline – Completed.