

# Key trends and shortcomings in community engagement on high-risk EBRD projects



Protest at Amulsar, photo by CEE Bankwatch Network

## Introduction

The European Bank for Reconstruction and Development (EBRD) sets out requirements for stakeholder engagement as part of project risk and impact assessments. These requirements are defined within its Environmental and Social Policy, EBRD Performance Requirement 10: Information Disclosure and Stakeholder Engagement:

Stakeholder engagement will involve the following elements: stakeholder identification and analysis, stakeholder engagement planning, disclosure of information, meaningful consultation, implementation of a project-level grievance mechanism, and ongoing reporting to relevant stakeholders.

The client will conduct stakeholder engagement on the basis of providing stakeholders with access to timely, relevant, understandable and accessible information, in a meaningful, effective, inclusive and culturally appropriate manner and free from manipulation, interference, coercion, intimidation and retaliation.

For more information

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Stakeholder engagement will begin as early as possible in the project development and will continue throughout the project life cycle [...].

The client will define clear roles, responsibilities, and authority as well as designate specific personnel for the implementation and monitoring of stakeholder engagement activities.<sup>1</sup>

The EBRD also makes several key commitments in its Environmental and Social Policy. In particular, these require clients to identify vulnerable people, flag potential gender-specific risks and impacts, and disclose information on project risks and impacts. These commitments generally align with the UN's Guiding Principles on Business and Human Rights,<sup>2</sup> which require business enterprises to:

- engage in meaningful consultation at regular intervals with potentially affected groups and other relevant stakeholders, considering language and other barriers to ensure effective engagement;
- actively track the effectiveness of their responses to impacts on individuals from vulnerable and marginalised groups, including through grievance redress mechanisms; and
- formally report how they address human rights impacts, providing sufficient information to evaluate their response.

This study reviews the stakeholder engagement practices of EBRD clients. Comparing these practices against the EBRD's safeguards as well as internationally recognised business and human rights standards, we identify several shortcomings in the EBRD's current approach. We strongly recommend that the EBRD considers our findings and recommendations as it revises its good governance policy, ideally incorporating them into its environmental and social requirements and practical guidance notes.

## 1. Summary

Our desk research provides an overview of 34 EBRD category A projects disclosed between 2020 and 2022 across 17 countries. These projects represent a total investment of EUR 3.7 billion. Our analysis identifies key trends and shortcomings in community engagement on these projects, highlighting the need for improvement in specific areas.

While community engagement is formally observed during project preparation and implementation, the involvement of communities in monitoring and mitigating impact activities is notably lacking. Additionally, some projects do not ensure meaningful community engagement as part of their environmental and social impact assessments and during the scoping phase.

The methods used for community engagement vary across projects, employing both conventional and alternative strategies. COVID-19 restrictions clearly impacted the use of large-group consultations, leading to a rise in smaller group discussions, individual consultations, and virtual engagement. Notably, several project documents contain no mention of the use of traditional media as a tool for information disclosure.

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<sup>1</sup> European Bank for Reconstruction and Development, [Environmental and Social Policy](#), *European Bank for Reconstruction and Development*, 47, 25 April 2019.

<sup>2</sup> Office of the United Nations High Commissioner for Human Rights, [Guiding Principles on Business and Human Rights](#), *Office of the United Nations High Commissioner for Human Rights*, 16 June 2011.

Additionally, comparative modelling, an important tool for enhancing the effectiveness of community engagement, is not considered when selecting public participation methods.

Most projects have grievance redress mechanisms (GRM) in place, providing various communication channels for people to raise their concerns. However, clients tend not to rely on traditional media to inform the public about the existence of these mechanisms. While monitoring activities are regularly reported, direct community participation in these activities is limited.

The inclusion of vulnerable groups and the participation of women as well as men are encouraged within the scope of engagement. Community concerns typically focus on health and safety, land acquisition, project disruptions, as well as negative impacts on livelihoods, the environment, and the local economy. Projects usually document ways of addressing these concerns, including through management strategies, mitigation measures, monitoring activities, control measures, and audits. However, information about these concerns and the measures proposed for addressing them are often scattered throughout the project documentation, making it unclear whether affected groups receive adequate explanations and meaningful responses.

Evidence of community engagement is primarily based on dates, locations and consultation minutes, while many projects lack supporting documentation such as attendance lists (50 per cent) and photographs (25 per cent).

Non-retaliation procedures are underprioritised when it comes to grievance redress mechanisms and consultation processes. Less than 20 per cent of projects claim to be developing anti-retaliation policies. However, 75 per cent of projects state that their mitigation measures address the risk of gender-based violence and harassment among local communities. Independent third parties mostly become involved during external monitoring and grievance redress mechanisms. These parties mediate, evaluate and propose non-binding resolutions. But while most project documents typically contain contact information on raising complaints or reporting incidents, they critically lack contact details for the EBRD's Office of the Chief Compliance Officer (OCCO) and Independent Project Accountability Mechanism (IPAM).

Clients generally commit to allocate resources to support community engagement. This typically involves the appointment of community liaison officers, who are responsible for communicating with complainants and redressing grievances. Most clients commit to regular reporting on environmental and social performance, with 85 per cent of projects providing key performance indicators for monitoring community engagement. However, our analysis reveals that only a few projects contain commitments or indicative budgets dedicated to community engagement.

## 2. Methodology and limitations

According to the Environmental and Social Policy, the EBRD only requires a participatory impact assessment for category A projects. We conducted desk research on the environmental and social information pertaining to all 34 category A projects disclosed on the EBRD website between 2020 and 2022. In particular, the following project information was reviewed: environmental and social impact assessments (ESIAs), stakeholder engagement plans (SEPs), environmental and social action plans (ESAPs), environmental and social management plans (ESMPs), livelihood restoration frameworks (LRFs), land acquisition and resettlement frameworks (LARFs), and non-technical summaries (NTSS).

To determine the level of commitment to ensure public participation, we analysed the environmental and social project documentation submitted by clients to the EBRD as part of their loan applications. In some cases, we also reviewed evidence of public consultations arranged early on in the project life cycle, such as during land acquisition. Our objective was to identify trends in the types of public participation considered by the EBRD during its project due diligence and approval processes. However, we have not verified the implementation of the plans or the accuracy of the evidence provided. This study only refers to project documentation published on the EBRD website before July 2023.

### 3. Overview of the selected projects

Between 2020 and 2022, the EBRD disclosed information on 36 category A projects. The statuses of these projects are categorised on the EBRD website as follows: disbursing (19), signed (9), repaying (4), passed final review pending approval (1), concept reviewed (1), and cancelled (2). We excluded the two cancelled projects (51267 in Ukraine and 51570 in Romania) from our research.

This leaves 34 projects in 17 countries<sup>3</sup> across 7 operational regions: Central Asia (11), south-eastern Europe (10), the southern and eastern Mediterranean (4), central Europe and the Baltic states (3), eastern Europe and the Caucasus (2), Cyprus and Greece (2), and Türkiye (2). The projects are divided into the following sectors: energy (15), transport (11), municipal and environmental infrastructure (4), natural resources (3), and agribusiness (1). Of the 34 projects, half are affiliated with public-sector clients (17) and the other half with private-sector clients (17).

## 4. Key trends in community engagement

### 4.1. Timing of community engagement

Our analysis reveals that community engagement is declared across the various project phases. However, our findings indicate a lack of community engagement during both the ESIA scoping phase and the operation phase, when monitoring and impact mitigation activities are carried out.

Formally, all project documents involving land acquisition claim that community engagement has, or is expected to, occur during the land acquisition phase.<sup>4</sup> The project documentation we reviewed indicates that the communities targeted to participate in land acquisition activities are selected based on the identification of physically or economically displaced persons defined in socio-economic surveys and censuses, which are accompanied by the disclosure of appropriate information. It is during this phase that most clients engage with affected communities, mainly through individual consultations, focus-group discussions, and the grievance mechanism provided to obtain their views, feedback and complaints.

In about 90 per cent of the projects, community engagement is documented during the ESIA scoping stage. This involves participation in scoping study consultation meetings, socio-economic surveys, censuses, focus-group discussions, and interviews with potentially impacted persons and households. However, our analysis reveals significant shortcomings on several projects.

<sup>3</sup> Uzbekistan (6), Poland (3), North Macedonia (3), Mongolia (2), Kazakhstan (2), Türkiye (2), Egypt (2), Serbia (2), Albania (2), Bosnia and Herzegovina (2), Greece (2), Kyrgyz Republic (1), Azerbaijan (1), Ukraine (1), Montenegro (1), Jordan (1), Morocco (1).

<sup>4</sup> The documentation for three projects (52821 in Kazakhstan; 51509 in Egypt; 53090 in Poland) do not reference land acquisition.

All three projects in Poland (two energy, one transport) lack detailed information on meaningful community engagement during the ESIA scoping phase. One of these projects (52312) did not conduct a social baseline study of affected communities, as this is not required by Polish regulations. This was also the case for project 53090, with the EBRD only noticing the deficiency during loan approval; the issue was later resolved.

Documentation disclosed for an energy project in Greece (51936) did not include relevant data on meaningful community engagement during the ESIA scoping stage. Similarly, the promoters of a transport project in Türkiye (53532) failed to share adequate information with local communities. Apart from press releases, no stakeholder consultation meetings were documented before the ESIA was carried out.

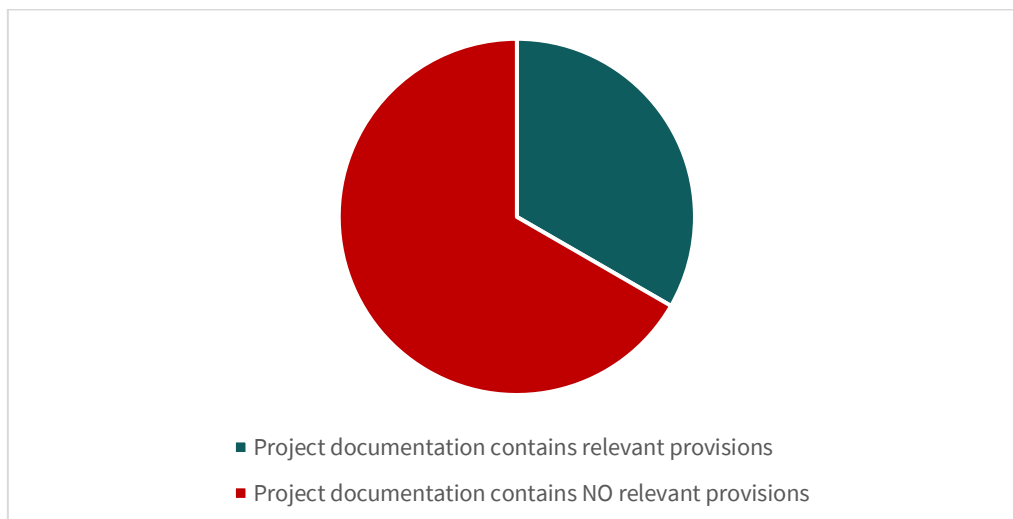
The next essential phase in project preparation is disclosure of the ESIA followed by consultations. All of the documentation we consulted confirmed the public disclosure of ESIA-related documentation. However, some local communities were restricted from participating in the resulting consultations. For instance, the promoters of projects in Uzbekistan (50879) and Mongolia (51505) did not hold any public exhibition events or large-group disclosure meetings due to national COVID-19 restrictions.

Commitment to engage communities was declared during the construction phase in all cases. Most of the documentation outlines plans to ensure regular engagement activities and a wide range of methods to inform impacted communities about the commencement of construction works.

More than 90 per cent of projects contain detailed provisions on community engagement during the operation phase, which often duplicates the public participation approach taken during the construction phase. That said, the documentation disclosed for both projects in Kazakhstan (52149; 52821) and one from North Macedonia (51747) provide no information on public participation. The only information shared with the public related to the collection of grievances and the advertising of employment opportunities targeting local communities during project operations.

Our analysis reveals a low level of targeted community engagement during monitoring and impact mitigation activities. In only around 33 per cent of cases did we find evidence of relatively rigorous provisions articulating community participation during monitoring (Figure 1).

**Figure 1:** Commitment to community engagement during project monitoring on the EBRD category A projects (disclosed between 2020 and 2022).



**Here are a few examples showing how project promoters ensure public participation:**

- A public-sector municipal and environmental infrastructure project in Jordan (49875) commits to establishing a committee comprised of local community representatives to monitor compliance with the ESMP; this committee is expected to report directly to the Ministry of Water and Irrigation.
- A private-sector natural resources project (50461) in Greece plans to involve community leaders or representatives in a 'community-of-interest committee' tasked with monitoring the implementation of environmental and social mitigation measures over the long term.
- The private-sector client implementing a natural resources project in Bosnia and Herzegovina (52342) claims that technical laboratories and specialist consultants will have the capacity to train local people to use environmental monitoring equipment;
- The public-sector client implementing one of the projects in Kazakhstan (52821) commits to encouraging women from local households to participate in the monitoring and evaluation of the project's resettlement action plan.

Regular reporting on environmental and social information shared with communities as part of the monitoring process is documented in 90 per cent of the projects. The frequency (varying from quarterly to annual) and form of reporting depends on the given project. The majority of projects document the issuing of progress reports and periodic updates during the construction and operation phases.

**4.2. Methods of community engagement**

Most projects document the use of a wide range of methods to engage communities. These include client and municipal websites, TV, radio, and newspaper outlets in the national and local media, written materials such as brochures, leaflets, letters, flyers and maps, as well as information posted on notice boards and public displays. The method used typically depends on the project phase and the type of information disclosed.

Bucking this trend, two energy projects in Jordan (49875) and Greece (51936) do not mention the use of traditional media as a tool for information disclosure. The documentation for two other energy projects in Kazakhstan (52821) and Poland (52312) contain no reference to the use of digital forms of communication, such as social media, email, and text messages, when targeting local communities.

We have identified a number of shortcomings in community engagement methods, likely to hinder meaningful consultations. All project documentation indicates the use of large-group formats such as public hearings and meetings, open houses and public exhibition events. However, the likelihood is that at least 33 per cent of these projects were affected by national COVID-19 restrictions. We know this because concerns are raised in the documentation about the implementation of conventional consultation methods, with suggestions for alternative small-group or contactless methods. There are some examples of this in Central Asia and Serbia.



The private-sector client in charge of an agriculture project in Uzbekistan (50879) adjusted its community engagement programmes due to COVID-19 restrictions. Instead of the planned public exhibition events, the client printed and distributed 16,470 flyers and feedback forms among project-affected communities, receiving 6,210 answers. However, 85 per cent of respondents used this adjusted method of ESIA consultation as a mechanism for requesting individual support or investments in social infrastructure and utilities rather than commenting on the ESIA itself and the gaps in assessment and the proposed mitigation measures. Of the total comments received, only 15 per cent of respondents clearly expressed their opinions on the proposed project. Due to COVID-19 restrictions, consultation on an energy project in Uzbekistan (52362) was a mix of online and small-group discussions.

In another case, the operator of an energy project in Mongolia (51505) opted for phone consultations, small-scale targeted meetings, and field engagement instead of public consultations in the form of large-group meetings. The ESIA documentation supplied for the state-managed municipal and environmental infrastructure project in Serbia (52642) questioned the feasibility of using conventional public consultation methods due to the COVID-19 outbreak. The promoters suggested broadcasting a recorded presentation on local media channels and collecting questions and comments via email. Yet, no appropriate comparative models or quantitative assessments of how alternative public participation methods might affect the quality of consultation processes are presented in the disclosed documentation, except for the superficial listing of advantages and disadvantages for each suggested method.

The majority of projects, about 85 per cent, document the involvement of small-group discussions and meetings, specifically aimed at vulnerable and high-risk individuals. There is a trend in the documentation supplied for projects in Uzbekistan (50879; 52772; 52773), North Macedonia (49119; 52508), Albania (53468), Azerbaijan (52735), Türkiye (51582; 53532), and Serbia (53136) for conducting, or committing to conduct, separate small-group discussions with women to gather their perspectives, share information, and address gender-related issues.

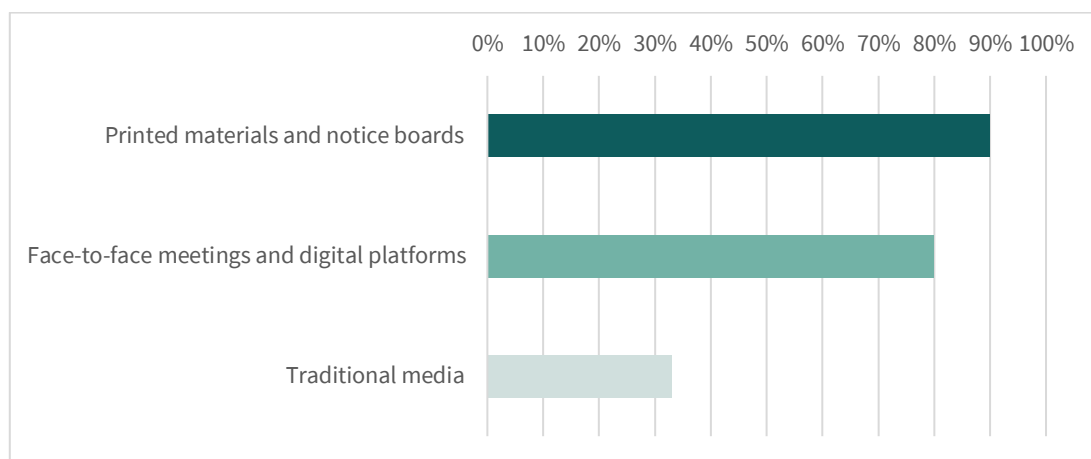
Individual consultations are suggested as an element of meaningful consultation in 95 per cent of cases. During land acquisition and construction activities, one-to-one meetings were the primary method for engaging with stakeholders. These include physically or economically displaced persons, land users such as farmers, and community leaders such as village elders, and local religious leaders. Key informant interviews were mostly conducted as part of consultation activities within the scope of the ESIA. However, the documentation submitted for one private-sector transport project in Türkiye (53532) and another private-sector energy project in Poland (52312) advises against individual consultations with local community representatives.

In the case of 66 per cent of projects, virtual public consultations, online meetings, teleconferences, broadcasts supporting offline public hearings, phone calls, and radio interviews are all documented as methods of meaningful consultation. Most projects adopted a contactless approach involving one-to-one meetings due to COVID-19 restrictions approach and to ensure the participation of people in remote locations such as herders and pastoralists. However, the documentation for 10 projects (48494 in Mongolia; 50879, 52362, and 52772 in Uzbekistan; 51316, 52312, and 53090 in Poland; 52361 in Albania; 50729 in Ukraine; and 53532 in Türkiye) did not refer to the use of electronic-based public consultation methods.

### 4.3. Grievance redress mechanisms

The main methods proposed to inform local communities about grievance redress mechanisms are printed materials and notice boards (90 per cent of projects) as well as face-to-face meetings and digital platforms (80 per cent of projects). However, only 33 per cent of projects rely on traditional media to deliver information to impacted communities on grievance redress mechanisms (Figure 2).

**Figure 2:** Methods to inform local communities about project-level grievance redress mechanisms in the EBRD category A projects (disclosed in 2020-2022).



Information about grievance redress mechanisms was not shared through traditional media based on the documentation we reviewed for the following projects: Uzbekistan (50879; 51963; 52362; 52772; 52773; 52874), Greece (50461; 51936), Bosnia and Herzegovina (51593; 52342), Poland (51316; 52312), Kyrgyz Republic (52367), Kazakhstan (52821), Albania (52361), Serbia (52642), Montenegro (49075), Türkiye (51582), Azerbaijan (52735), Ukraine (50729), Jordan (49875), Morocco (50957) and Egypt (51509). Less than 25 per cent of projects claimed use of all basic methods of communicating information about grievance redress mechanisms. The lowest diversity of information methods about grievance redress mechanisms is observed in the project documentation in Poland (52312), Greece (51936), Bosnia and Herzegovina (52342), and Montenegro (49075), according to which only one method was documented.

According to the documentation of all projects, if concerns arise, the aggrieved persons could or would be able to raise project-related grievances via a toll-free grievance hotline, email, text messaging or postal. About 90 per cent of projects provide rights holders with the opportunity to lodge grievances in person with the client’s grievance or community liaison manager or other project personnel during meetings or when visiting project sites and information centres.

Yet, roughly only 50 per cent of projects document a third-party grievance mechanism. No more than 25 per cent of these inform communities of the option to lodge their grievances with non-governmental organisations, trade unions, or elder committees. The option for a third-party grievance mechanism was not considered for projects in Albania (52361; 53468), Bosnia and Herzegovina (51593;

**Only 50 per cent of projects document a third-party grievance mechanism.**



52342), Serbia (52642; 53136), Montenegro (49075), Poland (51316; 53090), Uzbekistan (52362; 52874), Egypt (51509), Morocco (50957), Jordan (49875), Türkiye (51582) and Greece (51936). In the case of 40 per cent of projects, mainly in Mongolia, Poland and North Macedonia, the project documentation submitted suggests that complaint boxes located in public areas are not provided.

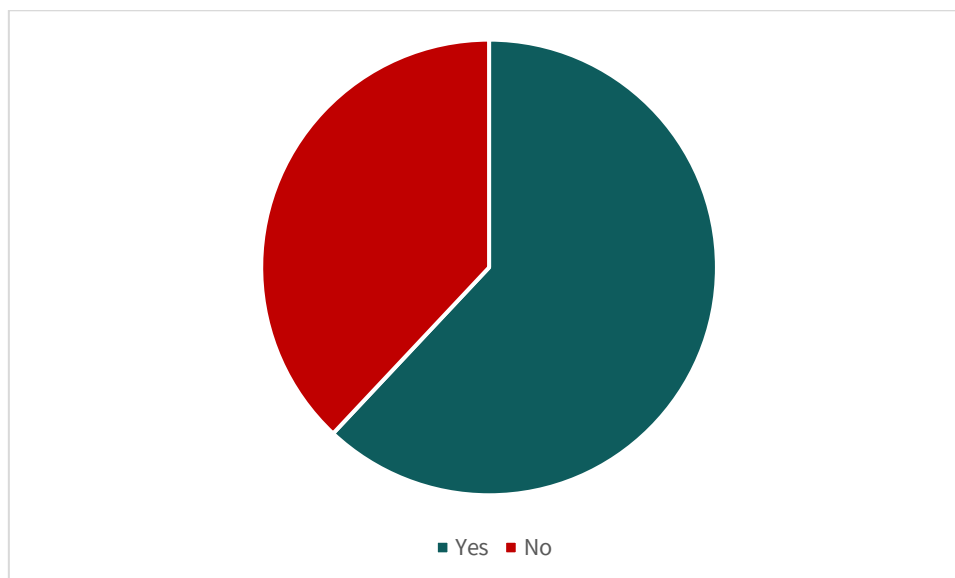
## 5. Scope of engagement

### 5.1. Qualitative data and gender breakdown

The qualitative data of communities in the documentation could be divided into four categories: project area population (municipal, provincial or regional levels); directly affected communities; surveyed individuals/households for socio-economic baseline; and community members engaged in consultation processes.

In almost 40 per cent of the documentation supplied (49905 and 51509 in Egypt; 50957 in Morocco, 49875 in Jordan; 51316 and 53090 in Poland; 50729 in Ukraine; 50461 in Greece; 52508 in North Macedonia; 52361 in Albania; 53136 in Serbia; 52874 in Uzbekistan; 48494 Mongolia), categories such as project area population and directly affected communities are not differentiated clearly enough (Figure 3).

**Figure 3:** Differentiation between project-area population and project-affected community in the EBRD category A projects (disclosed 2020-2022).



Given this limitation, we have calculated the project-area population as ranging from 2,180 to 3,287,799 people. According to the documentation, the total area of influence for all analysed projects amounts to 10.4 million people. This total is broken down by sector as follows: 4 million (energy projects), 3.7 million (municipal and environmental infrastructure projects), 2.3 million (transport projects), 400,000 (agriculture projects), and 200,000 (natural resource projects).

In 60 per cent of cases, clients were able to identify the number of directly affected communities, ranging from 16 to 133,027 people per project. However, these projects do not adopt a unified approach to the

assessment of the affected community population. For instance, some projects use different unit measures such as household and individuals, which complicates the analysis and prevents accurate assessment.

Yet, 50 per cent of projects provide information on the number of community representatives or households surveyed during preparations for the socio-economic study, which forms part of the ESIA scoping phase. According to the documentation supplied in these cases, the number of community representatives surveyed ranges from 22 to 724 individuals or households, an average of 117.

The documentation supplied in 75 per cent of cases contained information on the number of community representatives engaged with during public hearings, individual consultations, formal and informal meetings, and focus-group discussions, with numbers ranging from 23 to 361 people per project (an average of 97).

Only a few clients provided data on the number of project flyers, brochures and feedback forms distributed among local communities. Our on-the-ground experience with one particular private-sector agriculture project in Uzbekistan (50879) illustrates a significant quantitative difference in the statistics attributed to local community engagement. In this case, the client claims that 16,470 flyers and feedback forms were distributed among affected communities. Yet, only 125 individuals participated in the focus-group discussions. Another example from Uzbekistan (52773) also confirms this trend in community engagement, according to which the proportion was 305 against 152.

In more than 80 per cent of cases, the participation of both men and women during consultations and other community engagement activities is documented. Gender breakdown during the community engagement is lacking in all analysed projects in Poland (51316; 52312; 53090), as well as some projects in Serbia (52642), Greece (51936), and Mongolia (51505).

***Gender breakdown during the community engagement is lacking in projects in Poland, Serbia, Greece, and Mongolia.***

## 5.2. Inclusion of vulnerable groups

We found that all clients, except for one on a private-sector energy project in Poland (51316), documented efforts to engage with vulnerable groups. These projects are divided into seven categories comprising 38 vulnerable subgroups. These include older people, people with disabilities or special health conditions, economically marginalised or disadvantaged groups; women; households or families with multiple members or special living conditions; young people and children; ethnic minorities, refugees, and illiterate persons.

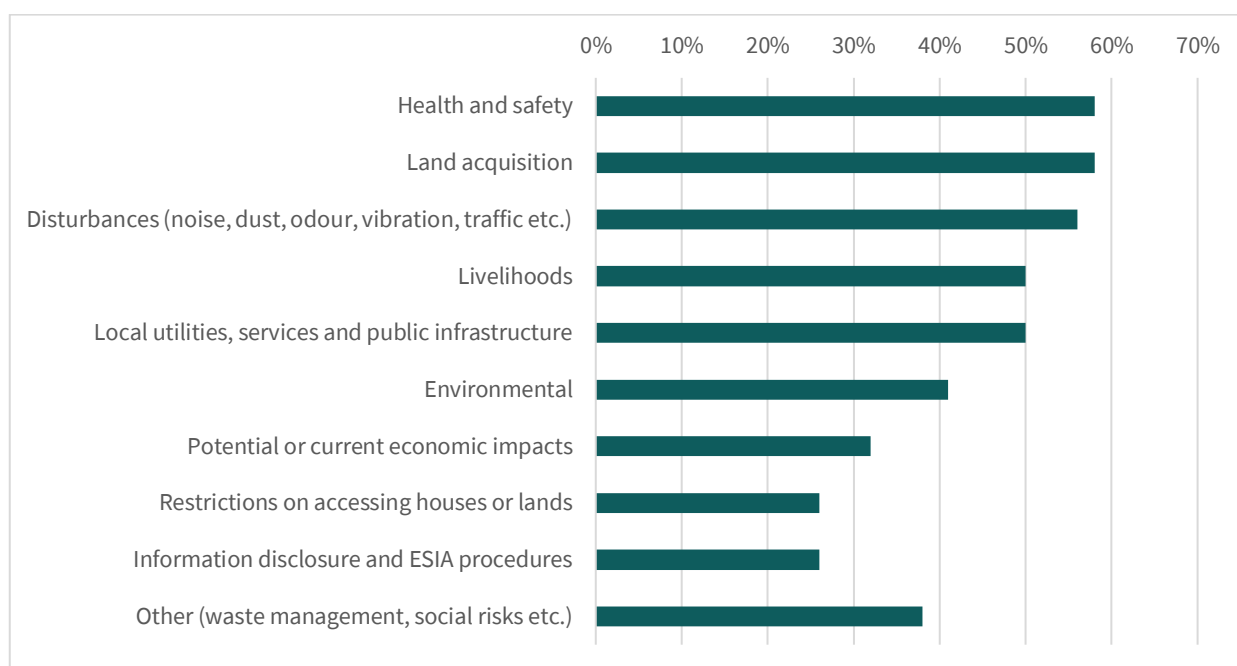
Three projects (51316 and 53090 in Poland; 51936 in Greece) do not specifically target women in community engagement. A project in the Kyrgyz Republic (52367) does not clearly define women as a group with high risks, although it highlights their participation during the focused ESIA phase. Five other projects (51963 in Uzbekistan; 52149 in Kazakhstan; 51509 in Egypt; 49875 in Jordan; 51316 in Poland) identify no older people as an actual or potentially vulnerable group. Based on the documentation submitted in 25 per cent of cases, economically marginalised and disadvantaged groups were not included in community engagement. However, the documentation supplied in 75 per cent of cases contained no information on households with

special living conditions, such as families with multiple members or people with disabilities. In about 40 per cent of cases, children, orphans and young people were not identified as vulnerable groups.

## 6. Key community concerns and expectations

Based on the limited information in the environmental and social project documentation we reviewed, the following concerns were raised by community representatives during surveys and consultations (Figure 4).

**Figure 4:** Types of concerns raised by community representatives about the EBRD category A projects (disclosed 2020-2022).



The technical and environmental and social documentation for most projects outlines management, mitigation, enhancement, monitoring or control measures, which could be seen as addressing some of the community concerns raised, especially related to environmental, disturbance and safety issues. However, the communication with communities about their concerns differs significantly. Only a few projects describe the work of project consultants who tried to provide explanations and present addressing measures to affected communities during the consultations. However, the documentation for private-sector energy projects in Poland (51316; 52312), Greece (51936) and Morocco (50957), and a public-sector municipal and environmental project in Serbia (52642) did not include any reference to the expression of community concerns.

## 7. Evidence of community engagement

The dates and locations of the consultations held are the most common evidence of community engagement in the project documentation (85 per cent). The exceptions are projects in Poland (51316, 52312, and 53090), Serbia (52642) and Greece (51936). However, no copies of registration forms or attendance lists providing evidence of community engagement during consultations were attached to the

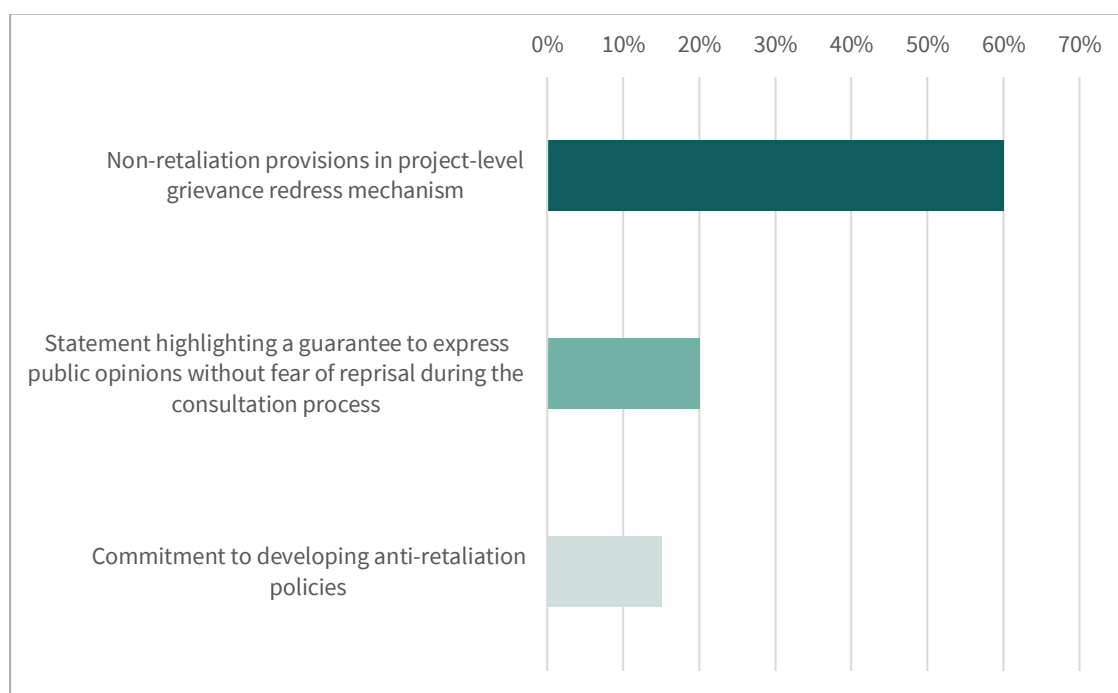
documentation supplied for 50 per cent of projects. Only one client (project 52773 in Uzbekistan), which included an attendance list in the project documentation, blurred the names of participants for anonymity. The documentation submitted for 75 per cent of projects contains minutes of meetings, key discussions and community feedback, which may be considered as evidence of community engagement. No photographs of community engagement were presented in the documentation for 25 per cent of projects (51316, 52312, and 53090 in Poland; 48494 and 51505 in Mongolia; 50461 and 51936 in Greece; 52642 in Serbia; 52508 in North Macedonia).

### 8. Suggested measures for avoiding retaliation

Only 60 per cent of clients emphasise non-retaliation in their grievance redress mechanisms and only about 20 per cent are ready to guarantee that the local communities can express their opinions without fear of retribution or reprisal during consultation processes. Only 15 per cent of clients claimed to be developing anti-retaliation policies (Figure 5).

**Only 15 per cent of clients claimed to be developing anti-retaliation policies.**

**Figure 5:** Clients' approach to addressing retaliation risks under the EBRD category A projects (disclosed 2020-2022).



The subject of non-retaliation was underprioritised in the documentation supplied for projects in south-eastern Europe (49119, 51747 and 52508 in North Macedonia; 52642 in Serbia; 53468 in Albania; 51593 in Bosnia and Herzegovina), Central Asia (52149 in Kazakhstan; 52874 in Uzbekistan; 52367 in the Kyrgyz Republic), Poland (51316), Ukraine (50729), Türkiye (51582) and Greece (51936).

More than 95 per cent of clients provide an option for local communities to provide anonymous feedback, which is typically stated as a principle of the project grievance redress mechanisms and grievance forms.

However, one private-sector energy project (51316) in Poland stated that it would not process general anonymously filed grievances unless related to non-ethical conduct, crime or corruption. The state-run municipal and energy infrastructure project in Jordan (49875) only offers an anonymous complaints option for employees and workers. The documentation submitted in 30 per cent of cases, mostly in the energy and transport sectors, contain no references to confidentiality in relation to complaints.

All of the projects, except for one private-sector energy project in Poland (51316), provide information about how to report potential incidents. However, only a few projects share the contact details of the EBRD Resident Offices. None of the documents disclosed provide contact details for the EBRD's Office of the Chief Compliance Officer or the EBRD's Independent Project Accountability Mechanism (IPAM).

About 60 per cent of clients suggest the use of safe locations such as local schools, libraries, community centres and other public places as part of project consultation activities. However, our analysis shows that in 25 per cent of cases (51593 and 52342 in Bosnia and Herzegovina; 52821 in Kazakhstan; 52642 in Serbia; 51509 in Egypt; 50957 in Morocco; 49875 in Jordan; 51316 in Poland), clients had held, or intended to hold, consultations in administrative buildings or at the offices of clients or operators. Documentation from seven projects (48494 in Mongolia; 50879 in Uzbekistan; 50957 in Morocco; 52312 in Poland; 53532 in Türkiye; 50461 in Greece) did not contain any information about consultation venues, whether already used or planned.

Over 75 per cent of projects report offering alternative engagement options. However, the majority of these options primarily focus on addressing issues related to COVID-19 restrictions. The same proportion of projects include training for personnel involved in grievance procedures and how to handle community concerns. Additionally, these projects commit to raising awareness among the workforce about unacceptable behaviour toward local community members.

Independent third-party involvement is referred to in 70 per cent of cases, mainly via grievance redress mechanisms and as mediators of community engagement. For instance, when the grievance is identified as legitimate but further evaluation does not result in a satisfactory resolution, the grievance is referred to external experts, legal advisors or non-governmental organisations for mediation, evaluation and the proposal of non-binding resolution. Most of the clients also confirm the hiring or possible hiring of third parties to undertake independent external environmental and social monitoring and reporting, and to evaluate the effectiveness of local cooperation strategies.

The documentation supplied in 75 per cent of cases includes measures for mitigating risks associated with gender-based violence and harassment within local communities. These include:

- employee awareness-building and training on gender-based violence and harassment;
- bilateral meetings with women, young girls and boys from communities located near project sites to educate them on gender-based violence and harassment prevention;
- establishing a separate channel to consider grievances related to gender-based violence and harassment;
- implementing a code of conduct for employees and contractors that includes the prohibition of gender-based violence and harassment within local communities.

No risk mitigation measures for gender-based violence and harassment were documented by clients managing projects in Poland (51316, 52312, and 53090), Serbia (52642), Montenegro (49075), North Macedonia (51747); Greece (51936); Kazakhstan (52821) and Jordan (49875).

***No risk mitigation measures for gender-based violence and harassment were documented in projects in Poland, Serbia, Montenegro, North Macedonia, Greece, Kazakhstan and Jordan.***

## 9. Client commitments to resource allocation

We learned that 90 per cent of clients had appointed or intended to appoint community liaison officers to maintain regular communication with affected communities. A private-sector natural resources project in Bosnia and Herzegovina (52342) established a community liaison committee that includes locally affected communities, vulnerable groups, and representatives of non-governmental organisations. The head of the Environmental and Sustainable Development Department of the private-sector energy project in Poland (51316) is described as being responsible for community liaison functions. Documentation supplied for the private-sector energy project in North Macedonia (52508) does not contain adequate information on the functions of community liaison officers and appropriate personnel.

About 50 per cent of project community liaison officers are documented as women or state that women are expected to assume this role. In the case of 80 per cent of projects, community liaison officers are documented as being either entirely or partly responsible for recording, investigating and resolving grievances, as well as for managing the grievance database and monitoring the effectiveness of the grievance redress mechanism. Only nine projects suggest appointing individual grievance officers.

Although most environmental and social action plans allocate annual budgets for environmental and social management, we found that only one private-sector energy project (52362 in Uzbekistan) detailed indicative budgets with a breakdown including budgets for an environmental and social manager and a social and community liaison officer. Another public-sector energy project in North Macedonia (51747) makes a commitment to set aside a dedicated budget for implementing a stakeholder engagement plan, which will consider funds for the needed staff; specific consultation activities, events and campaigns, and related consultation materials and tools; capacity-building for staff on stakeholder engagement, grievance mechanism and SEP commitments; additional information support and engagement with vulnerable groups.

All of the projects commit to prepare and submit regular reports on environmental and social performance to the EBRD, communities and other stakeholders, except for three energy projects in Uzbekistan (52874), Kazakhstan (52821) and Greece (51936) focusing on developing and disclosure corporate ESG reporting. About 85 per cent of the projects document key performance indicators for monitoring community engagement.



## 10. Conclusions and recommendations

Our analysis shows that local communities are not empowered to influence project impact assessment and risk management. There are notable deficiencies in community engagement, including uneven involvement across project phases when it comes to preventing and addressing specific concerns, which may impact the overall effectiveness of community engagement.

We also found a systemic lack of community engagement during monitoring and impact mitigation activities, which affects the quality of public participation in decision-making processes. We are concerned about the gaps in identifying vulnerable groups impacted by projects and the lack of emphasis on gender mainstreaming across engagement activities on a number of projects. These shortcomings are likely to undermine the rights of high-risk groups and prevent them from accessing vital information and effectively participating in meaningful consultations.

There is limited emphasis on non-retaliation policies, especially on projects in south-eastern Europe and Central Asia, as well as in Poland, Ukraine, Türkiye and Greece. The notable lack of detailed budget disclosure on community engagement processes makes it harder to understand how resources are being allocated and casts doubt on the financial transparency of projects.

The following recommendations aim to address these gaps and improve community engagement across EBRD projects.

Timing of community engagement:

- Strengthen the ongoing character of consultation and information sharing with project-displaced persons.
- Encourage adherence to social baseline study requirements, especially in the countries where it is not mandated by national regulations.
- Establish a standard for community engagement during the ESIA scoping stage across all projects.
- Address the low level of articulated community participation during monitoring and impact mitigation activities via the development of comprehensive provisions and measurable indicators for effective community involvement.

Methods of community engagement:

- Encourage utilising all available information disclosure tools, including traditional media.
- Develop robust alternative methods for community engagement which will ensure maximum community participation during consultations in response to potential national restrictions against large-group meetings.
- Assess and compare the effectiveness of alternative methods (virtual public consultations), providing quantitative assessments to improve future engagement strategies.

- Expand the potential of small group discussions and individual consultations, to ensure the involvement of diverse community segments, especially vulnerable and high-risk people.

#### Grievance redress mechanism:

- Increase the diversity of channels for communicating information about the project-level grievance redress mechanism.
- Enhance the use of traditional media for the dissemination of information on grievance redress mechanisms within projects.
- Emphasise third-party involvement as mediators during the grievance redress process.
- Explicitly state the confidentiality of statements in the grievance redress mechanism process and articulate the option of anonymous grievances, ensuring transparency about the handling of such grievances.
- Report publicly about the work of grievance redress mechanisms and their effectiveness in resolving grievances.
- Ensure that communities are provided with information on the EBRD Office of the Chief Compliance Officer (OCCO) and the Independent Project Accountability Mechanism (IPAM).

#### Scope of engagement and inclusion of vulnerable groups:

- Ensure the differentiation between project area population and directly affected communities in project documentation; utilise a unified approach for assessment of affected communities population.
- Clearly define and report the number of community representatives during engagement activities by various categories, including gender, to ensure transparency and inclusivity.
- Make sure all projects address gaps in identifying and including vulnerable and high-risk groups, including women, older people, young people, low-income groups, and households with special living conditions.

#### Key community concerns and expectations:

- Ensure including community concerns in the documentation of all projects.
- Improve communication with communities about concerns addressing measures and their appropriate reflection in project documentation.
- Enhance the connection between the true needs and expectations of communities and client plans for local employment and investment in public utilities and social infrastructure.

#### Methods for avoiding retaliation:

- Explicitly emphasise non-retaliation during grievance redress processes and consultations in all of the projects.

- Ensure the development and communication of anti-retaliation policies to guarantee a safe environment for expressing opinions.
- Clearly communicate the confidentiality of anonymous grievances and ensure they are processed appropriately.
- Encourage the use of safe and neutral locations for consultation activities.
- Strengthen the involvement of independent third parties as mediators.
- Ensure the development of measures to prevent gender-based violence and harassment for all projects.

Client commitments to resource allocation:

- Promote gender diversity when appointing community liaison officers and grievance managers and clarify their roles in community engagement and grievance redress, including complaints related to gender-based violence and harassment.
- Ensure project documentation includes a budget allocation for community engagement along with detailed presentations explaining consultation activities, how to access additional information and support, how the project intends to engage with vulnerable groups, and how staffing issues will be addressed.

Moreover, considering the abovementioned shortcomings in community engagement by the EBRD clients, we recommend the Bank to enhance its human rights due diligence by integrating the following commitments into revised safeguards:

- Proactively seek information from rights holders through regular site visits and engagement with community members, particularly for projects outside the EU. This should cover all stages, from initial risk screening and assessment through to implementation and monitoring.
- Disclose regular environmental and social monitoring reports for projects to ensure ongoing due diligence and facilitate meaningful community engagement.
- Take responsibility for assessing and mitigating retaliation risk and develop an effective response mechanism.
- Improve the effective operation of the existing problem-solving and accountability mechanisms such as the Independent Project Accountability Mechanism, the Office of the Chief Compliance Officer, the Access to Information Appeals Panel, and project-level grievance redress mechanisms, rather than multiplying them.