

Countering shrinking space



**How multilateral development
banks can empower civil society
in the Western Balkans, Caucasus
and Central Asia**

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Executive summary

Multilateral development banks play a crucial role in advancing the United Nations' Sustainable Development Goals worldwide, including in the Western Balkans, Caucasus, and Central Asia. They finance both public sector and private sector projects while also catalysing and mobilising private sector development financing. However, these banks often overlook the impact of shrinking civic space in these regions and how it affects their ability to meet their commitments under the Sustainable Development Goals.

This study examines the challenges faced by civil society in these regions and assesses how multilateral development banks, such as the World Bank, the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), and the Asian Development Bank (ADB), address these issues through their policies, strategies and approaches.

This study combines desktop research with interviews and online questionnaires conducted with civil society representatives to identify the key challenges facing civil society organisations. These include arbitrary arrests, forced disappearances, administrative fines, restrictive legislation, defamation, strategic lawsuits against public participation, and the rise of government-organised non-governmental organisations.

It also reviews the existing civil society engagement frameworks of different multilateral development banks and how they respond to these challenges. The findings reveal significant issues: the implementation and monitoring of approved engagement frameworks vary across countries, often hindered by restrictions on civic freedoms. In addition, most multilateral development banks avoid publicly discussing shrinking civic space and human rights issues, arguing that these fall outside their mandates. This study shows that the erosion of civil society is increasingly becoming an operational challenge for banks striving to achieve the Sustainable Development Goals.

Multilateral development banks have significant leverage in addressing the challenges posed by shrinking civic space in the Western Balkans, Caucasus, and Central Asia. Strengthening their engagement with civil society organisations and implementing more robust strategies to protect and expand civic space is crucial for achieving their own objectives, particularly the Sustainable Development Goals by 2030.

Through coordinated efforts at both global and national levels, multilateral development banks can establish minimum standards to promote civic space and human rights. These include integrating civic space assessments into country strategies, developing country-specific roadmaps for civil society engagement, establishing consistent engagement with diverse civil society organisations, raising their concerns during policy dialogues, and adopting strong anti-retaliation measures.

By creating an enabling environment for civil society and leveraging financial investments more effectively, multilateral development banks can drive meaningful change. Supporting and expanding civic space can help catalyse democratic governance in the Western Balkans, promote human rights in the Caucasus, and accelerate progress towards eradicating poverty in Central Asia.

Research methods

This study explores how multilateral development banks can address restrictions on civic space in the Western Balkans, Caucasus, and Central Asia. It aims to stimulate discussion about how these banks can unilaterally and collaboratively support the expansion of civic space. Specifically, it examines the civil society engagement policies, strategies and approaches adopted by multilateral development banks such as the World Bank, the EBRD, the EIB, and the ADB.

To assess their roles, we conducted in-depth interviews with 10 civil activists who work with multilateral banks on human rights, environmental and socio-economic issues, as well as civic space challenges in these regions. Additionally, 26 civil society representatives completed an online questionnaire to provide insights into how multilateral development banks could better address civic space constraints in their respective countries. Anonymity was strictly maintained for all interviewees and questionnaire respondents. No email addresses were recorded and no citations feature in this study.

The interviews and questionnaires should not be viewed as offering a fully representative assessment of the views of civil society on the operations of multilateral development banks in these regions. Rather, the insights provided by this group of experienced practitioners highlight their key concerns and what they see as the most pressing challenges.

As civil society comes under increasing threat worldwide, this timely report outlines the issues affecting civic space in the Western Balkans, the Caucasus, and Central Asia, providing recommendations for how multilateral development banks can support democratic progress in these regions.

Multilateral development banks, human rights, the Sustainable Development Goals and civic space

The United Nations defines civic space as an ‘environment that enables people and groups – or ‘civic space actors’ – to participate meaningfully in the political, economic, social and cultural life in their societies’.¹ A vibrant civic space requires an open, secure and safe environment – free from all acts of intimidation, harassment and reprisals, both online and offline – where individuals and groups can influence policymaking through access to information and meaningful public participation. An open and pluralistic civic space, one that ensures freedom of expression, opinion, assembly and association, is essential for sustainable development and peace. Civil society plays a crucial role in establishing the conditions necessary for the fulfilment of human rights. It fosters discussions that reinforce normative human rights standards, especially by amplifying the voices of marginalised and overlooked groups.²

Multilateral development banks and governments have committed to ensuring a healthy environment, universal access to food, healthcare, public goods, and education, poverty reduction, respect for human rights, and decent work opportunities by 2030 under the Sustainable Development Goals.³

However, evidence shows that without a vibrant civic space, progress towards the Sustainable Development Goals is significantly hindered, and the voices of marginalised populations are barely heard.⁴ Despite the crucial role of civil society in democratic governance and sustainable development, as highlighted by Sustainable Development Goal 16, its scope has been shrinking globally over the past decade. The 2024 Civicus report indicates that civil society faces severe attacks in 116 out of 198 countries and territories, including in Europe and Central Asia. Compared to the previous year, an additional 1.5 per cent of the global population now lives in countries classified as closed or repressed. The report also reveals that out of 54 countries in Europe and Central Asia, civic space is open in 19, narrowed in 19, obstructed in 7, repressed in 3, and closed in 6.⁵

Restricting civic space adversely impacts sustainable development by limiting the abilities of organisations to advocate for human rights, environmental protections, policy changes, and government accountability. These restrictions weaken community mobilisation efforts, prevent social justice initiatives, and reduce transparency, eroding public trust in institutions and ultimately undermining development efforts. Research by Act Alliance indicates that, despite differences across political systems, shrinking civic space is likely to halt or reverse progress in reducing inequality, ensuring inclusion, and improving sustainability. The most at-risk populations, which civil society aims to empower and protect, are disproportionately affected, leading to a situation where the poorest and most marginalised are left behind by development.⁶

¹ United Nations, [United Nations Guidance Note: Protection and Promotion of Civic Space](#), *United Nations*, 3, September 2020.

² Oscar Vilhena Vieira, A. Scott Dupree, [Reflections on Civil Society and Human Rights](#), *Sur International Journal on Human Rights*, 2004.

³ Act Alliance, [Development Needs Civil Society - The Implications of Civic Space for the Sustainable Development Goals](#), *Act Alliance*, April 2019.

⁴ *Ibid.*

⁵ Civicus, [State of Civil Society Report 2024](#), *Civicus*, accessed 16 January 2024.

⁶ Act Alliance, [Development Needs Civil Society - The Implications of Civic Space for the Sustainable Development Goals](#).

Despite the limited academic literature on the overall impact of shrinking civic space on sustainable development, existing research indicates that its reduction significantly affects key development outcomes. These include poverty (Sustainable Development Goal 1), hunger and food security (Sustainable Development Goal 2), gender equality (Sustainable Development Goal 5), decent work and economic growth (Sustainable Development Goal 8), inequality (Sustainable Development Goal 10), sustainable cities and communities (Sustainable Development Goal 11), and life on land (Sustainable Development Goal 15). Shrinking civic space also impacts intermediate outcomes such as peace, justice, and strong institutions (Sustainable Development Goal 16), development partnerships (Sustainable Development Goal 17), and the principles of inclusion and ‘leaving no one behind’.⁷ Governmental restrictions on civil society – including non-governmental organisations, civil society organisations, social movements, activists, artists, scholars, and the media – often reflect struggles over valuable resources such as land and minerals, benefitting the lucrative, political, and economic elites. And although these restrictions are typically justified on the grounds of sovereignty, social values, or national security, they frequently result in unsustainable, illegal, or unjust economic activities that conflict with the Sustainable Development Goals.

Growing evidence highlights the inextricable link between human rights and sustainable development,⁸ and multilateral development banks have partially contributed to this understanding. For example, data from the World Bank underlines the importance of women’s rights for development,⁹ the relationship between human rights violations and violent conflict,¹⁰ the connection between civil liberties and project performance, and the economic costs of discrimination.¹¹ Similarly, research by the International Monetary Fund shows that horizontal inequalities, often linked to discrimination, undermine the sustainability of economic growth.¹²

Over the past two decades, increasing pressure on human rights and environmental defenders – along with narratives portraying them as extremists – has led to increased prosecutions, police brutality, and judicial intimidation in the Western Balkans, Central Asia, and the Caucasus.¹³

Studies reveal a strong correlation between shrinking civic space, increasing restrictions on civil society organisations, and the decline of democratic institutions.^{14, 15} Civil society organisations in robust democracies, experts assert, ‘monitor government behavior and raise the alarm when governments violate democratic norms, for example, through mobilising opposition voters or reaching out to international

⁷ Act Alliance, [Development Needs Civil Society - The Implications of Civic Space for the Sustainable Development Goals](#).

⁸ The Danish Institute, [Integrated review and reporting on SDGs and Human Rights as key to effective, efficient and accountable implementation](#), *The Danish Institute*, 3 July 2019.

⁹ World Bank, [Gender Data Portal](#), *World Bank*, accessed 20 December 2024.

¹⁰ World Bank, [Fragility, Conflict, and Violence](#), *World Bank*, accessed 20 December 2024.

¹¹ World Bank, [Integrating Human Rights Into Development](#), *World Bank*, 2024.

¹² Valerie Cerra, Ruy Lama, Norman Loayza, [Links Between Growth, Inequality, and Poverty: A Survey](#), *IMF*, 12 March 2021.

¹³ Global Witness, [More than 2,100 land and environmental defenders killed globally between 2012 and 2023](#), *Global Witness*, 10 September 10 2024.

¹⁴ Giada Negri, Filip Pazderski, [Mapping shrinking civic space in Europe](#), *Civitates*, 2021.

¹⁵ Kees Biekhart, Tiina Kontinen, Marianne Millstein, [EADI Global Development Series: Civil Society Responses to Changing Civic Spaces](#), *Palgrave MacMillan*, 2023.

allies'.¹⁶ However, restrictions on civic space undermine these efforts, reducing checks on governments attempting to dismantle democratic safeguards. These restrictions also limit the ability of civil society to engage citizens in public life and serve as a bridge between communities and institutions, which is particularly harmful to minorities and marginalised groups.¹⁷

The multilateral development banks (World Bank, ADB, EBRD, and EIB) that we regularly work all have numerous statements and policy recommendations. These documents emphasise the important role of civil society organisations in ensuring accountability and transparency, enhancing the effectiveness of multilateral development bank projects, and mitigating corruption risks at both national and local levels. These multilateral development banks also acknowledge the role of civil society organisations in widening the distribution of development impacts, incorporating local knowledge into projects, and fostering innovation to tackle global challenges.¹⁸

In general, multilateral development banks avoid openly addressing human rights violations or evaluating government actions that limit civic space.¹⁹ However, owing to its unique political mandate (discussed below), the EBRD is the only bank that regularly raises concerns about human rights violations and shrinking civic space.²⁰ To achieve the Sustainable Development Goals, major development financiers must recognise that these goals cannot be realised in countries where civic space is restricted or completely stalled.²¹

Involvement of multilateral development banks in the Western Balkans, Caucasus and Central Asia

Multilateral development banks play a crucial role in advancing the Sustainable Development Goal agenda in the Western Balkans, Caucasus, and Central Asia by financing public sector and private sector projects. They support the Sustainable Development Goal-aligned initiatives such as poverty reduction, education, and healthcare. Aligning with the G20 Sustainable Infrastructure Initiatives, multilateral development banks develop trade routes and energy supplies using innovative financing that combines public and private funds, attracting private investments. An example is the Middle Corridor project under the EU Global Gateway initiative,²² aiming to improve connectivity and infrastructure for economic growth. Given the regions' carbon intensity and climate vulnerability, multilateral development banks invest in renewable energy and sustainable urban development projects, such as those by the EBRD and ADB, to enhance environmental resilience.²³

¹⁶ Hannah Smidt, Jessica Johansson, Thomas Richter, [Civil Society Under Attack: The Consequences for Horizontal Accountability Institutions](#), *Studies in Comparative International Development*, 3, 1 February 2024.

¹⁷ Ibid.

¹⁸ Ibid.

¹⁹ The numerous exceptions and precedents are reviewed in this study.

²⁰ In private discussions, certain multilateral development bank representatives argue that the EBRD's position is defined by its unique political mandate under Article 1.

²¹ Act Alliance, [Development Needs Civil Society - The Implications of Civic Space for the Sustainable Development Goals](#), *Act Alliance*, April 2019.

²² Luca Urciuolo, [The Middle Corridor Initiative - Where Europe and Asia Meet](#), *The European Institute for Asian Studies*, March 2024.

²³ European Investment Bank, [2023 Joint Report on Multilateral Development Banks' Climate Finance](#), *European Investment Bank*, September 2024.

The multilateral development banks promote themselves as ‘engines of finance for development’, emphasising that, ‘[a]s financial institutions, the multilateral development banks and the International Monetary Fund multiply the capital, subscriptions and contributions invested with us to provide a range of financial support and products to our partner countries. On average, when our shareholders invest 1 dollar once, multilateral development banks can commit 2-5 dollars in new financing every year.’²⁴⁻²⁶

Significant financial investments have been made by the World Bank Group,²⁷ the EBRD,²⁸ the EIB,²⁹ and the ADB³⁰ in these regions since the countries joined these institutions³¹ (see Figure 1). Notably, investment allocation across countries is influenced by various factors, beyond the duration of financial institution membership. Initially, investments focused on post-conflict reconstruction in the Western Balkans and addressing the collapse of the Soviet Union, aiming to stabilise economies, restore infrastructure, and implement reforms. Since 2002, international financial institutions have expanded their focus to include poverty alleviation, health and education, infrastructure development, climate change mitigation, economic diversification, governance enhancement, renewable energy promotion, and transportation connectivity projects. The financial influence and major investments that align with the Sustainable Development Goals allow multilateral development banks to address and champion civic space in line with UN standards.

²⁴ World Bank, [From billions to trillions: MDB contributions to financing for development](#), *World Bank*, page 2, July 2015.

²⁵ Daniil Filipenco, [Major multilateral development banks and their global footprint](#), *DevelopmentAid*, 4 December 2023.

²⁶ There is no strong evidence that any development financial institutions leverage USD 2 to 5 per USD 1 of investment. However, multilateral development banks still play a significant role in the lending portfolios of low- and middle-income countries, mobilising private financing far more effectively than Development Assistance Committee member countries of the Organisation for Economic Co-operation and Development (USD 47 billion compared to USD 14 billion in 2022). Additionally, the share of multilateral actors in the total amounts mobilised increased from 67 per cent in 2015 to 77 per cent in 2022. See: Organisation for Economic Co-operation and Development, [Multilateral Development Finance 2024](#), *Organisation for Economic Co-operation and Development*, accessed 20 December 2024.

²⁷ World Bank Group, [Finances One](#), accessed 20 December 2024.

²⁸ European Bank for Reconstruction and Development, [Project finder](#), *European Bank for Reconstruction and Development*, accessed 20 December 2024.

²⁹ European Investment Bank, [Financed projects](#), *European Investment Bank*, accessed 20 December 2024.

³⁰ Asian Development Bank, [ADB project search](#), *Asian Development Bank*, accessed 20 December 2024.

³¹ The majority of former Soviet Bloc and Western Balkan nations became members of the World Bank primarily after declaring independence between 1991 and 1994, with the exceptions of Kosovo and Montenegro. The EBRD was founded in 1991, and almost all of its member countries joined between 1991 and 1992. Bosnia and Herzegovina joined the EBRD in 1996, while Montenegro joined in 2006 and Kosovo in 2012.³¹ Kazakhstan and Kyrgyzstan joined the ADB in 1994, Uzbekistan in 1995, Tajikistan in 1998, and Turkmenistan in 2000. Azerbaijan joined in 1999, Armenia in 2005, and Georgia in 2007. In the case of the EIB, it began several operations in early 2002, focusing on projects supporting the EU’s external action policies. In 2007, a dedicated mandate was established for lending in the Southern and Eastern Neighbourhood, which includes countries in the Western Balkans, Caucasus and Central Asia.

Figure 1. Total allocations in USD (million)

Country	World Bank (IBRD [†] /IDA [*])	IFC	MIGA [#]	EBRD	EIB	ADB	Total
Albania	3 062	478	11	2 292	768	n/a	6 611
Armenia	2 882	569	43	2 548	1 027	1 500	8 569
Azerbaijan	4 758	313	1 113	3 865	167	4 200	14 416
Belarus	2 196	407	366	2 927	573	n/a	5 896
Bosnia and Herzegovina	3 931	355	1 291	3 400	3 569	n/a	12 546
Georgia	4 101	1 324	209	5 775	2 332	4 000	17 741
Kazakhstan	10 428	1 521	999	10 888	537	6 000	30 373
Kosovo	1 073	82	478	710	387	n/a	2 730
Kyrgyz Republic	2 687	527	10	1 039	116	2 600	6 979
Montenegro	1 001	101	57	917	1 233	n/a	3 309
North Macedonia	2 897	222	378	3 030	1 720	n/a	8 247
Serbia	8 442	1 636	5 462	9 833	8 378	n/a	33 751
Tajikistan	2 622	238	0	1 004	112	2 400	6 376
Turkmenistan	110	9	0	347	n/a	634	1 100
Russian Federation	14 451	6 285	830	25 439	1 683	n/a	48 688
Uzbekistan	11 668	931	974	5 350	443	12 400	31 766

[†]International Bank for Reconstruction and Development, ^{*}International Development Association, [#]Multilateral Investment Guarantee Agency.

Sources: World Bank, EIB, ADB, and EBRD websites.

Regional challenges facing civil society

Civic space in post-communist countries has always been far from ideal. Political instability and authoritarian governance, along with restrictive laws, funding shortages, and government interference, impede the work of civil society organisations and undermine their credibility. In different countries, active citizens, the media, academia, non-governmental organisations, ethnic groups, gender and sexual minorities, and social movements experience varying levels of oppression by governments that are reluctant to relinquish power.

The enactment of foreign agent legislation in Russia in 2012 marked the beginning of a regional trend that has continued over the past decade. The promotion of foreign agents laws by Russia ‘through its proxies and like-minded actors’ leads to the weakening of civil society actors in these regions and represents part

of Russia's broader strategy to influence and resist western influences.³² The promotion of these types of laws has led to a similar restrictive approach to civil society in EU Member States, namely Hungary,³³ Slovakia,³⁴ Bulgaria³⁵ and Romania.³⁶ Disinformation campaigns aimed at restricting and diminishing the reputation of civil society organisations intensified in the Western Balkans, Caucasus, and Central Asia following Russia's invasion of Ukraine.³⁷⁻³⁹ These campaigns have undermined democratic development, economic progress, and the feasibility of the Sustainable Development Goals in countries experiencing democratic backsliding.⁴⁰

Freedom House classifies Turkmenistan, Tajikistan, Uzbekistan, Azerbaijan, Russia, and Belarus as the least free countries. According to Reporters Without Borders, these countries have non-existent media freedom and no space for civil society. Neither Kyrgyzstan nor Kazakhstan is free, with notable democratic regression having been observed in recent years.^{41,42} Democratic backsliding has also been apparent in the last few years in countries with partly free regimes, including Armenia, Georgia, Bosnia and Herzegovina, North Macedonia, and Serbia.

Diminished civic space often leads to physical harassment, arbitrary arrests, forced disappearances, intimidation, criminalisation, punitive investigations, administrative and financial fines and restrictions, stigmatisation, and co-optation pressures. Not-free countries are adopting increasingly violent strategies against human rights defenders, journalists, and community representatives. In contrast, in partly free countries, there is a prevalence for officials and corporations to file strategic lawsuits against activists and

³² Research on Russia's use of both hard and soft power through media content yielded significant findings. An analysis of over 2,700 news articles from February to July 2021 revealed that Russian-language media in Georgia and Ukraine consistently spread anti-Western narratives, portraying NATO and the EU as existential threats to both countries.

Maureen Taylor, Natalie M. Rice, Oleg Manaev, Catherine A. Luther, Suzie L. Allard, R. Alexander Bentley, Joshua Borycz, Benjamin D. Horne, Brandon C. Prins, [Russian Public-Diplomacy Efforts to Influence Neighbors: Media Messaging Supports Hard-Power Projection in Ukraine and Georgia](#), *International Journal of Communication*, Vol. 18, 2024.

³³ U.S. Helsinki Commission, [The Proliferation of Russian-Style Foreign Agents Laws](#), *U.S. Helsinki Commission*, 20 June 2024.

³⁴ Kiril Koroteev, [Russian-Style 'Foreign Agents' Laws Signal a Rejection of Democratic Principles](#), *National Endowment for Democracy*, October 2024.

³⁵ Vidka Atanasova, [Bulgaria's Far-Right Revival Party Pushes For 'Foreign Agent' Law. Despite Members Receiving Foreign Grants](#), *Radio Free Europe*, 8 September 2024.

³⁶ Jonathan Day, [Romanian NGOs on Tenterhooks as Government Takes Aim at Civil Liberties](#), *liberties.eu*, 30 August 2017.

³⁷ Cabar Asia, [International Expert Panel: Investigating the Influence of Russian Propaganda in Central Asia](#), *Cabar Asia*, 20 September 2023.

³⁸ Mirjana Jevtovic, Milos Katic, [How Russia Spreads Fake News In The Balkans](#), *RadioFreeEurope*, 22 September 2024.

³⁹ Digital Forensic Research Lab, [In Europe and the South Caucasus, the Kremlin leans on energy blackmail and scare tactics](#), *Atlantic Council*, 29 February 2024.

⁴⁰ Larry M Bartels, Ursula E Daxecker, Susan D Hyde, Staffan I Lindberg, Irfan Nooruddin, [The Forum: Global Challenges to Democracy? Perspectives on Democratic Backsliding](#), *International Studies Review*, Volume 25, Issue 2, June 2023.

⁴¹ Aliya Tlegenova and Serik Beysembaev, [Have President Tokayev's Reforms Delivered a 'New Kazakhstan'?](#), *Carnegie Politika*, 18 September 2024.

⁴² Ayzirek Imanaliyeva, [Kyrgyzstan: MPs give president power to overturn court rulings on moral grounds](#), *EurasiaNet*, 29 September 2023.

journalists. An additional trend is the rise of government-organised non-governmental organisations, which undermine and delegitimise the reputations of independent civil society organisations.⁴³⁻⁴⁵

Figure 2. Global freedom status of countries in the Western Balkans, Caucasus and Central Asia in 2024.⁴⁶

Country name	Global freedom status	Political and civil liberties
Albania	Partly free 68/100	Political rights 28/40 Civil liberties 40/60
Armenia	Partly free 54/100	Political rights 23/40 Civil liberties 31/60
Azerbaijan	Not free 7/10	Political rights 0/40 Civil liberties 7/60 Internet freedom 37/100
Bosnia and Herzegovina	Partly free 51/100	Political rights 17/40 Civil liberties 34/60
Belarus	Not free 8/100	Political rights 2/40 Civil liberties 6/60
Georgia	Partly free 58/100	Political rights 22/40 Civil liberties 36/60
Kazakhstan	Not free 23/100	Political rights 5/40 Civil liberties 18/60
Kosovo	Partly free 60/100	Political rights 28/40 Civil liberties 32/60
Kyrgyzstan	Not free 27/100	Political rights 4/40 Civil liberties 23/60
Montenegro	Partly free 69/100	Political rights 27/40 Civil liberties 42/60
North Macedonia	Partly free 67/100	Political rights 28/40 Civil liberties 39/40

⁴³ Government-organised non-governmental organisations are set up and controlled by a political regime specifically to be used as propaganda tools and to influence public opinion, which not only removes space from genuine civil society organisations, but also undermines trust in democracy.

⁴⁴ Chris Rickleton, [Russia Goes NGO-Hunting In Central Asia, Where NGOs Have Enough Problems](#), *Radio Free Europe*, 9 March 2024.

⁴⁵ Sonja Schiffers, [COP29: Azerbaijan's Quest for International Legitimacy and Funding](#), *Heinrich Boell Stiftung*, 11 March 2024.

⁴⁶ Freedom House, [Freedom in the World 2024](#), *Freedom House*, accessed 20 December 2024.

Serbia	Partly free 57/100	Political rights 18/40 Civil liberties 39/60
Russia	Not free 13/100	Political rights 4/40 Civil liberties 9/60
Tajikistan	Not free 5/100	Political rights 0/40 Civil liberties 5/60
Turkmenistan	Not free 2/100	Political rights 0/40 Civil liberties 2/60
Uzbekistan	Not free 12/100	Political rights 2/10 Civil liberties 10/60

These challenges impact civil society differently. Arbitrary arrests and enforced disappearances typically foster fear in countries where power is consolidated. At the same time, issues related to the registration of civil society organisations, foreign agent laws, and defamation cases create a chilling effect within society. (Refer to Annex 1 for a detailed description of the situation in different countries.)

The state of civic space varies significantly between partly free and not-free countries. However, trends indicate that challenges for civil society organisations are worsening in both contexts, rather than showing signs of improvement. For now, we can group the challenges facing civil society into the following clusters, which, to some extent, apply to all the countries mentioned above.

1. Arbitrary arrests and enforced disappearances (common in not-free countries)

Arbitrary arrests and enforced disappearances of activists, human rights defenders, journalists, and bloggers in countries lacking freedom suppress civil liberties and hinder the development of civil society. Turkmenistan has documented 162 enforced disappearances,⁴⁷ while Azerbaijan’s regime cyclically arrests and pardons political prisoners, currently holding around 300, some in poor health due to torture and inadequate medical care.⁴⁸ Tajikistan has repressed independent voices for over two decades, suppressing the Pamiri minority’s identity and culture.⁴⁹ Uzbekistan, under Karimov, imprisoned thousands on dubious charges, and despite some releases post-2016, pressure on civil society and media has increased since July 2022.⁵⁰ Kazakhstani civil society faces arbitrary arrests and restrictive legislation, with at least 105 political prisoners, 17 persecuted human rights defenders, and reports of torture and ill treatment following the

⁴⁷ Prove They Are Alive, [Twenty Years after the Start of Mass Repression in Turkmenistan, the International Community Must Take Strong Action to Stop Enforced Disappearances](#), *Prove They Are Alive*, 30 August 2022.

⁴⁸ European Parliament, [European Parliament resolution of 25 April 2024 on Azerbaijan, notably the repression of civil society and the cases of Dr Gubad Ibadoghlu and Ilhamiz Guliyev \(2024/2698\[RSP\]\)](#), *European Parliament*, 25 April 2024.

⁴⁹ Amnesty International, [Tajikistan: Pamiri minority facing systemic discrimination in ‘overlooked human rights crisis’](#), *Amnesty International*, 11 September 2024.

⁵⁰ IPHR, [Uzbekistan: Pressure on critical voices continues](#), *IPHR*, 18 October 2024.

mass shooting in January of 2022.⁵¹ The Kyrgyz Republic, once the most democratic nations in Central Asia, is experiencing rising authoritarianism, with arbitrary arrests of human rights defenders, journalists, and bloggers, creating an atmosphere of fear.⁵²

2. Restrictions on civil society organisations, including registration rules, foreign funding and foreign agent laws

The regulations and practices governing civil society organisations in the regions analysed in this report present considerable organisational challenges. Constitutions and laws often guarantee freedom of association and assembly, but authorities impose strict oversight. In Turkmenistan, a 2003 law severely restricts civil society organisation operations, resulting in most registered groups being government-organised non-governmental organisations, hindering independent civil society and foreign assistance.⁵³⁻⁵⁴ Tajikistan's Law on Public Associations requires non-governmental organisations to report all foreign and international grants to a state register. Many non-governmental organisations were closed or liquidated between 2022 and 2023 due to inactivity, lack of funds, or government pressure through audits, tax inspections, legal proceedings, and intimidation, leading to 'self-liquidation'.⁵⁵⁻⁵⁶ Despite some economic openness in Uzbekistan, registering civil society organisations remains difficult. The 2022 regulations mandate non-governmental organisation involvement with state bodies, as recommended by the Ministry of Justice for internationally funded projects.⁵⁷ In April 2024, the Kyrgyz Parliament adopted a foreign agent law stigmatising and controlling non-governmental organisations and media, infringing on freedoms of expression, association, and assembly with severe penalties, including imprisonment.⁵⁸ This action also sets a problematic precedent for neighbouring Central Asian nations, and the recent decision in Kazakhstan to publicly disclose a list of foreign-funded civil society organisations has further exacerbated these concerns.⁵⁹

In Azerbaijan, civil society organisations struggle with registration and managing grants without public officials' involvement. Foreign grant registration is complex and requires approval from the Ministry of Justice.⁶⁰

⁵¹ Human Rights Watch, [World Report 2024: Kazakhstan](#), *Human Rights Watch*, accessed 20 December 2024.

⁵² Bruce Panner, [Kyrgyzstan: Central Asia's Island of Democracy Sinks Into Authoritarianism](#), *Foreign Policy Research Institute*, 12 April 2024.

⁵³ Erica Dailey, [New Law on NGO Activity in Turkmenistan Greeted with Caution](#), *EurasiaNet*, 30 November 2004.

⁵⁴ Crude Accountability, [Turkmenistan](#), *Crude Accountability*, accessed on 20 December 2024.

⁵⁵ United Nations, [Press release - Tajikistan: UN expert criticises dissolution of 700 NGOs](#), *United Nations*, 8 March 2024.

⁵⁶ US Department of State, [2023 Country Reports on Human Rights Practices: Tajikistan](#), *US Department of State*, accessed 20 December 2024.

⁵⁷ Central Asia Labour Monitoring Mission, [New Regulations in Uzbekistan Effectively Impose Government Control on NGOs](#), *Central Asia Labour Monitoring Mission*, August 2022.

⁵⁸ Jeremy Lawrence, [Kyrgyzstan: New law risks undermining work of NGOs](#), *Office of the United Nations High Commissioner for Human Rights*, 5 April 2024.

⁵⁹ International Partnership for Human Rights, Kyrgyzstan International Bureau for Human Rights and Rule of Law, Turkish Initiative for Human Rights, Association for Human Rights in Central Asia, [Crackdown on Civic Freedoms in Central Asia: Briefing Paper for the 2024 Warsaw Human Dimension Conference](#), *International Partnership for Human Rights*, 30 September 2024.

⁶⁰ US Department of State, [Azerbaijan 2023 Human Rights Report](#), *US Department of State*, accessed 20 December 2024.

In May 2024, despite public opposition and stalled EU candidacy, the Georgian Parliament passed a foreign influence law requiring civil society organisations receiving over 20 per cent of their income from foreign sources to register in a transparency registry.⁶¹ However, despite the high fines, only around 500 civil society organisations out of 30,000 have been registered, with many others ceasing to function altogether.⁶² In the Republic of Srpska, the Law on the Special Registry and Publicity of Non-Profit Organisations (foreign agent law) featured on the parliamentary agenda but was withdrawn from voting without much explanation.⁶³

3. Defamation and strategic litigation

In partly free Western Balkan and Caucasus regimes, defamation and strategic lawsuits against public participation target media and civil society organisations, causing political instability and shrinking civic space. In post-Second Karabakh War Armenia, attacks on human rights activists and civil society organisations have heightened political polarisation and restricted dialogue and policymaking, with the UN Special Rapporteur urging the government to consult civil society organisations before passing legislation affecting them.⁶⁴ Since 2018, Armenian activists have faced 30 strategic lawsuits against public participation from companies funded by entities such as the EBRD, to silence their concerns. Georgia, which ranks 103rd out of 180 in press freedom,⁶⁵ has seen a rise in strategic lawsuits against public participation, particularly against critical media, and government-led defamation of non-governmental organisations on the grounds of opposing economic and traditional values.⁶⁶ In 2023, the State Security Service of Georgia accused the United States Agency for International Development of funding a programme to train artists and activists for a violent government overthrow, which was echoed by pro-government media in Georgia, Russia, and Azerbaijan.⁶⁷ Recent changes to laws in Georgia have been designed to consolidate the ruling party's power through increased penalties for offenses, expanded use of administrative detentions, and new restrictions on protests. These restrictions include prohibiting demonstrations in buildings without owner consent, affecting locations such as universities, theatres, and most large public spaces.⁶⁸

Civil society continues to deteriorate in the Western Balkans, with increased fines and strategic lawsuits against public participation targeting those exercising freedom of expression and assembly.⁶⁹ Bosnia and Herzegovina, Serbia, and North Macedonia are among the top 10 in Europe for strategic lawsuits against public participation, with Bosnia and Herzegovina seeing 53 cases in 2023, as well as defamation being

⁶¹ Civil.ge, [Breaking: Parliament Overrides President's Veto on Foreign Agents Law, Adopts the Agents' Law](#), *Civil.ge*, 28 May 2024.

⁶² Civil.ge, [476 CSOs Register by Foreign Agents Law Deadline](#), *Civil.ge*, 9 September 2024.

⁶³ Radio Free Europe/Radio Liberty Balkan Service, [Bosnian Serbs Withdraw 'Foreign Agent' Law From Assembly Agenda](#), *Radio Free Europe*, 28 May 2024.

⁶⁴ European External Action Service, [EU ANNUAL REPORT ON HUMAN RIGHTS AND DEMOCRACY IN THE WORLD 2023 COUNTRY UPDATES](#), *European External Action Service*, accessed 20 December 2024.

⁶⁵ Civil.ge, [Georgia's Ranking Drops 26 Places, Landing at 103rd in RSF Press Freedom Ranking](#), *Civil.ge*, 3 May 2024.

⁶⁶ Georgian Democracy Initiative, [Special Report Regarding SLAPP Cases in Georgia](#), *Georgian Democracy Initiative*, May 2023.

⁶⁷ Digital Forensic Research Lab, [In Europe and the South Caucasus, the Kremlin leans on energy blackmail and scare tactics](#), *Atlantic Council*, 29 February 2024.

⁶⁸ Civic Idea, [GD's New Legislation Tightens Grip on Dissent and Accelerates Dictatorship - Civic Idea](#), *Civic Idea*, accessed 6 February 2025

⁶⁹ Balkan Civil Society Development Network, [Civic Space Report 2024 Western Balkans](#), *European Civic Forum*, accessed 20 December 2024.

recriminalised in the Republic of Srpska.⁷⁰ North Macedonia witnessed a doubling of defamation lawsuits in 2022 against civil society and journalists.⁷¹ For instance, Investigative Reporting Lab Macedonia was fined for alleging a former vice-president was responsible for air pollution in the country.⁷² The government labelled civil society representatives as ‘foreign agents’, suggesting they destabilise society and focus on money laundering and foreign agendas. Strategic lawsuits against public participation in Serbia are alarming, with a surge in cases targeting independent media, requiring legal reforms to protect journalists and public participation.⁷³ The EU has proposed measures to counteract strategic lawsuits against public participation, safeguard expression, and prevent legal misuse aimed at stifling dissent.⁷⁴ In Bosnia and Herzegovina and Serbia, there are significant concerns about government suppression of activists and media, which has resulted in intimidation, harassment, and legal challenges aimed at silencing any opposition.⁷⁵

4. Restrictions on LGBTIQ+ rights and anti-gender movements

LGBTIQ+ individuals face varying degrees of discrimination and stigmatisation worldwide. Specifically, Turkmenistan and Uzbekistan still criminalise male homosexual relationships, resulting in severe human rights violations.^{76,77} In the Western Balkans and Caucasus, LGBTIQ+ people experience pressure from homophobic elites.⁷⁸ Since Russia’s invasion of Ukraine, there has been a resurgence of the anti-gender movement, often linked to far-right nationalism.⁷⁹ This movement’s transnational nature and consistent anti-gender narratives suggest a connection to democratic erosion, driven by exclusionary policies and societal polarisation.⁸⁰ The movement promotes traditional gender roles, perpetuates privileges for dominant groups in the Western Balkans and Caucasus, and incites violence against LGBTIQ+ individuals based on perceived sexual orientation or gender identity. Additionally, violations of women’s rights and femicide cases are increasing in these regions.⁸¹

⁷⁰ European Civic Forum, [Civic Space Report 2024](#), *European Civic Forum*, accessed 20 December 2024.

⁷¹ Balkan Civil Society Development Network, [From Silence to Strength: A Regional Response to SLAPPs in the Western Balkans](#), *Balkan Civil Society Development Network*, 2 July 2024.

⁷² Media Freedom Rapid Response, [North Macedonia: Ruling against Investigative Reporting Lab and its editor must be overturned](#), *European Centre for Press & Media Freedom*, accessed 20 December 2024.

⁷³ Freedom House, [Serbia Freedom on the Net](#), *Freedom House*, accessed 20 December 2024.

⁷⁴ Balkan Civil Society Development Network, [From Silence to Strength: A Regional Response to SLAPPs in the Western Balkans](#), *Balkan Civil Society Development Network*, 2 July 2024.

⁷⁵ Balkan Civil Society Development Network, [From Silence to Strength: A Regional Response to SLAPPs in the Western Balkans](#), *Balkan Civil Society Development Network*, 2 July 2024.

⁷⁶ Transgender Europe, [The lives of LGBT people in Turkmenistan, the most closed-off country in Eastern Europe and Central Asia](#), *Transgender Europe*, 20 March 2024.

⁷⁷ Human Rights Watch, [Uzbekistan: Gay Men Face Abuse, Prison](#), *Human Rights Watch*, 23 March 2021.

⁷⁸ European region of the International Lesbian, Gay, Bisexual, Trans and Intersex Association, [Rainbow Map](#), *European region of the International Lesbian, Gay, Bisexual, Trans and Intersex Association*, accessed 20 December 2024.

⁷⁹ Nargiza Arjevanidze, [Anti-Gender Movements and Georgia](#), *Heinrich Boll Stiftung*, 26 February 2024.

⁸⁰ Lika Jalagania, [Georgia’s \(Anti\)Gender Democracy and The Promise of Authoritarianism](#), *Heinrich Boll Stiftung*, 22 October 2024.

⁸¹ Aleksandra Janowska, Maria Puchalska, [Western Balkans and their uneasy road to \(gender\) democracy](#), *Heinrich Boll Stiftung*, 26 February 2024.

In September 2024, Georgia adopted an anti-LGBTIQ+ propaganda and family values law, reflecting the government’s attempt to mobilise support through exclusionary polarisation, indicating a conservative shift with rhetoric akin to far-right groups.⁸² In Kazakhstan, a new media law proposal, which has been criticised by the Office of the United Nations High Commissioner for Human Rights, could allow the suspension of media outlets presenting LGBTIQ+ content.⁸³

Problems and perceptions shared by civil society representatives on the role of multilateral development banks in restricting civic space

An analysis of the interviews and online questionnaires revealed that the majority of civil society organisations believe that multilateral development banks have a direct impact on civic space in their countries, as well as that the banks have the leverage to improve the situation through the promotion of civil society roles, involvement in policy dialogues with governments, and the support of legislation protecting civil society organisations, women, LGBTIQ+ people, and ethnic minorities.

Figure 3. Mapping major civil society restrictions from a legislative perspective.⁸⁴

	Azerbaijan	Armenia	B&H	Georgia	Kazakhstan	Kyrgyzstan	Serbia	Tajikistan	Turkmenistan	Uzbekistan
Restrictive civil society legislation (registration, funding from abroad, within country)	x							x	x	x
Stigmatisation as a foreign agent					x	x				
Restrictions of freedom of association, assembly and expression	x	x	x	x	x	x	x	x	x	x
Defamation and strategic lawsuits against public participation	x	x	x	x	x	x	x			
Restriction on minority rights promotion				x				x	x	x

⁸² Andrea Di Marcoberardino, [Georgia Passes Anti-LGBTQ+ Law: A Reflection of Russian Legislation and Influence](#), *Security Distillery*, 25 October 2024.

⁸³ United Nations, [Kazakhstan: Reject rights-violating petition, say UN experts](#), *United Nations*, 31 July 2024.

⁸⁴ Based on responses provided to questionnaires and interviews.

The geographical pattern of different problems and concerns clearly coincides with the operation of civil society organisations under democratic regimes. However, a number of common trends can also be discerned. The registration and operation of civil society organisations is a particularly problematic issue for groups in Central Asia and Azerbaijan. Additionally, problems related to restrictions on freedoms of association, assembly, and expression are concerns of nearly all of the civil society representatives we contacted. And although the degree of restriction varies across countries, it is overall significant.

Another common issue is the wide use of smear campaigns connected with so-called ‘national security’ interests, which could be political, civil or economic. Governmental institutions, influential individuals and companies could use disinformation campaigns against activists under the pretext of defamation to incite violence against journalists and activists. The libel and defamation charges in Central Asia and Azerbaijan are among the most extreme, causing a reduction in space for civil society organisations through strategic lawsuits against public participation and defamation, particularly in the Western Balkans, Georgia and Azerbaijan.

Figure 4. Major practices used by governments against activists and civil society organisations in their respective countries.

	Azerbaijan	Armenia	B&H	Georgia	Kazakhstan	Kyrgyzstan	Serbia	Tajikistan	Turkmenistan	Uzbekistan
Orchestrating smear campaigns	x	x	x	x	x	x	x	x	x	x
Limiting the ability to work on issues perceived as politically sensitive (human rights, environment)	x	x		x	x	x		x	x	x
Using repressive and violent means (police, crackdowns, arrests)	x	x			x	x		x	x	x
Restricting access to information	x			x	x	x	x	x	x	x
Restricting public participation at different levels of decision-making	x				x	x		x	x	x
Restrictions to travel inside and outside the country	x								x	x
Restrictions on internet use								x	x	

Censorship of publications and public events	X					X		X	X	X
Surveillance of activists and civil society organisations	X	X			X	X		X	X	X

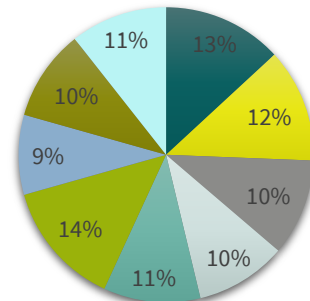
According to representatives of civil society organisations, in countries that receive significant resources from multilateral development banks, there is potential for greater leverage in promoting the role of civil society organisations, involving them in policy dialogue with governments, and working on legislative initiatives to protect civil society organisations, women, LGBTIQ+ individuals, and ethnic minorities. Approximately 50 per cent of the civil society representatives we interviewed stated that multilateral development banks do not have a positive impact on improving civic space in their country, while around 35 per cent acknowledged that the banks may have a positive impact. The representatives emphasised that access to information and public participation practices related to policymaking with national governments, as well as those involving projects funded by multilateral development banks, face similar issues.

The primary concern raised by many respondents was that the public participation processes related to multilateral development bank projects are often no fairer or more meaningful than the usual practices in which the banks are not involved. These include restricting access to information, lack of participation in the early stages of project development, conducting formal public participation meetings without acknowledging input from civil society organisations, affected communities, or both, rejecting independent experts, demonstrating preferential treatment towards business needs, not reflecting public opinions and concerns in the final documents, issuing retaliation and defamation threats from security services towards individuals with dissenting viewpoints, and engaging in the extensive mobilisation of government-organised non-governmental organisations, among other concerns. The respondents also pointed out that in the majority of cases, especially in the case of large and controversial projects, the banks are satisfied with low-quality environmental and social impact assessments, which ultimately impacts affected communities as well as project quality and sustainability.

The civil society representatives we contacted indicated that, in order to increase meaningful public participation, multilateral development banks need to ensure early access to information for the communities that may be affected by the banks' projects. In addition, a risk analysis, including the risks of reprisals against local communities and civil society organisations, should be conducted. They also underlined that in some problematic and sensitive cases, MDBs should refrain from the funding of large-scale high risk/high reward projects. The MDBs should ensure the high quality of EIA documentation and run public hearings in a way that it ensures the safety of all interested parties. CSOs underlined that they should be possibility for submission of comments in confidential ways. Another safeguard option would be from their point, ensure that on the early stage of development of projects, the roles and possibilities of independent accountability mechanisms are clearly spelled out. That could serve as potential safeguard from the pressure of local authorities and bank's clients, according to local CSOs.

Actions expected of multilateral development banks to safeguard civic space

Strategies for strengthening civic engagement



- Actively involve civil society organisations in policy dialogue with recipient country governments.
- Speak publicly about the negative impacts of civil society restrictions on different aspects of national development.
- Inform the public, the bank's clients, and governments about the zero-tolerance policy against retaliation.
- Develop joint country strategies between multilateral development banks and governments for civil society engagement, including issues related to shrinking civic space.
- Run an extensive media campaign on the role of civil society (including interviews, articles, and public outreach).
- Involve civil society organisations in multi-stakeholder events such as annual meetings and business forums.

Access to information was cited as another critical issue, with concerns raised about the practices of multilateral development banks in ensuring access in various environments. For instance, in Turkmenistan and Tajikistan, even accessing multilateral development bank websites is problematic due to the banning and blocking of virtual private networks in Turkmenistan and similar restrictions in Tajikistan.⁸⁵ Further concerns included the fact that communities are often only able to find information after the actual project implementation begins, especially in the case of large infrastructure projects. The projects do not actively reveal the interested stakeholders, which has a negative impact on both the affected communities and on the quality of the projects. Therefore, multilateral development banks should ensure access to information and its distribution both at the early stages of project development and during implementation, through the regular publication of reports and the assessment of the actual impact on the ground, as well as through consultation with the affected communities and civil society organisations.

According to local civil society representatives, multilateral development banks should establish long-term partnerships and coordination efforts with local civil society, widely involving them in policy and strategic discussions, including at the project level. Adopting this approach would increase the significance of multilateral development banks' local offices. According to local groups, standards of civil society

⁸⁵ Paul Bischoff, [Internet Censorship: A Map of Internet Censorship and Restrictions](#), *Comparitech*, 22 January 2025.

engagement vary, especially in countries with restricted civic space. For example, civil society representatives from Azerbaijan raised concerns about the accessibility of the EBRD's and World Bank's offices, highlighting a lack of consultations on country strategies, particularly compared to previous experiences with local offices.

In authoritarian regimes or countries with failed democracies, civil society organisations play a critical role in representing the concerns and views of large segments of the population whose voices are either unheard or are actively suppressed by the government. However, civil society organisations observe that, as power consolidates, multilateral development bank offices disengage from independent civil society organisations during strategy discussions and project preparations, leading to token public participation on the part of government-organised non-governmental organisations.

Given the varied forms and impacts of shrinking civic space, multilateral development banks require unified strategies and methodologies to address these challenges. A key issue is the lack of coordination among multilateral development banks at the country level in the areas of civic space and human rights. For instance, in cases of retaliation and strategic lawsuits against public participation from companies funded by a multilateral development bank, all international financial institutions should issue a unified and public statement condemning these actions. Civil society organisations suggest multiple ways that multilateral development banks can engage with them and support civic spaces, as detailed in their recommendations. Below, we analyse specific multilateral development banks' engagement patterns with civil society organisations and their responses to shrinking civic spaces.

Engagement of multilateral development banks with civil society and responses to shrinking civic space

The multilateral development banks have comprehensive civil society engagement frameworks that involve consulting local groups on policies, strategies, and project planning to address environmental and social concerns. This engagement is crucial for transparency and accountability in implementing programmes and projects. However, there is a noted deficiency in the implementation and monitoring of these engagements, and multilateral development banks often avoid discussing the shrinking of civil society at both the international and national levels. This omission can lead to engagement practices that largely support the country's status quo, with some bank staff viewing the issue as affecting only human rights or liberal activists, indicating a lack of understanding of the problem's scale.⁸⁶

Safeguard policy frameworks, country diagnostic tools, and strategies are vital for multilateral development banks in engaging civil society and ensuring public participation, as well as assessing civic space. These policies are accompanied by accountability mechanisms to hear affected communities and address misconduct and retaliation claims, with procedures in place to protect reporting individuals. Leading institutions like the World Bank, the ADB, the EBRD, and the EIB prohibit retaliation against those who raise project concerns, but the implementation of these anti-reprisal measures remains problematic. However, as elsewhere, the major problem usually lies in the implementation of those anti-reprisal statements and in ensuring that those raising their voices against irregularities with the multilateral

⁸⁶ Asian Development Bank, [Working Together for Development Results: Lessons from ADB and Civil Society Organization Engagement in South Asia](#), Asian Development Bank, December 2022.

development banks about project impacts or advocating for accountability are safe. The challenges vary from country to country, as there are no precise mechanisms for how the multilateral development banks deal with this type of situation. For example, in Uzbekistan, in numerous cases, Bankwatch has seen that retaliation cases still take place, despite the banks' efforts.^{87,88}

In some countries, there are concerns about access to information, as well as to the timely publication of information in national languages. The EBRD translates each project summary document and its safeguards into the official languages of the countries in question and commits to considering the multiple languages of the affected location. The World Bank, the EIB, and the ADB only publish project-related information, as well as safeguard policies, in the official languages of the bank. Sometimes, the World Bank and the ADB translate documents into national languages. As a result, projects funded by the World Bank, the EIB and the ADB often lack early engagement components. Local and central governments also orchestrate the disregard for or ignorance of affected communities, concerned citizens, and civil society organisations during project preparation and implementation, which is problematic.

The civil society organisations emphasised that while local laws and multilateral development bank safeguards mandate public participation and timely information disclosure, these requirements are often treated as mere formalities, with public hearings giving affected communities minimal influence over project design and implementation.⁸⁹

While 'meaningful public participation' is a requirement of each multilateral development bank, in practice, experiences vary across countries; local civil society representatives often have limited access to information and consultations, even in partially free nations. In these regimes, civil society organisations and communities can voice concerns through the media, the courts, and national and international redress mechanisms, and they can influence significant transformation of programmes/projects through direct engagement with banks. In Georgia, for example, communities affected by the East–West Highway project (EIB, ADB, World Bank) are protecting their rights through reliance on independent media that discuss project deficiencies and problems, by receiving free legal and advocacy support from various non-governmental organisations, or by hiring lawyers. We witnessed the same situation in the case of Corridor Vc in Bosnia and Herzegovina.⁹⁰ In these countries, pressure from local governments, police, or other state structures does not stop citizens from expressing their opinions and fighting for their rights, as they have strong allies within society.

In not-free countries, such as Tajikistan, this type of scenario cannot be expected, due to problems with accessing true, reliable information freely,⁹¹ as well as due to the fear of punishment from the government.⁹²

⁸⁷ Nina Lesikhina, [How ADB's pandemic aid to Uzbekistan was misused, whistleblower silenced](#), CEE Bankwatch Network, 19 January 2022.

⁸⁸ CEE Bankwatch Network, [Indorama Agro: Uzbekistan's infamous cotton producer](#), CEE Bankwatch Network, accessed 20 December 2024.

⁸⁹ Democratization Team, [Is this development? Public development banks must rethink their investments and put local communities first](#), CEE Bankwatch Network, 4 September 2023.

⁹⁰ CEE Bankwatch Network, [Bosnia and Herzegovina: Motorway-affected residents submit complaint to the UN](#), CEE Bankwatch Network, 24 June 2024.

⁹¹ International Research and Exchanges Board, [Tajikistan: Vibrant Information Barometer 2023](#), International Research and Exchanges Board, 2023.

⁹² Amnesty International, [Tajikistan Report 2023](#), Amnesty International, 22 February 2023.

For example, in the case of the Rogun Hydropower plant⁹³ where the process of the resettlement of 60,000 people is ongoing,⁹⁴ there is no ongoing public or expert debate in the media, and civil society organisations cannot openly raise systemic issues regarding the project's impacts. Yet, the international community has raised numerous concerns regarding various aspects of the Rogun Dam project.⁹⁵⁻⁹⁷

Civil society representatives recognise that consultations on country strategy papers vary from bank to bank. The World Bank and the ADB engaged selected civil society organisations in the country during the drafting of country diagnostics and strategic papers. Meanwhile, the EBRD engages in early stage consultations regarding draft strategy input, publishes a draft country strategy paper online, and asks for comment submissions from broader audiences. It should be noted that opportunities to influence the disclosed draft are quite limited. However, in some cases, the civil society organisations admit that the level of civil society organisation participation has largely declined with increased shrinking space, and therefore, it would be beneficial to have more tools to ensure public involvement during the preparation of those documents.

Multilateral development banks recognise the challenges associated with sexual orientation and gender identity (SOGI) issues in their operational regions.⁹⁸ The EBRD, the EIB, and the ADB view gender identity and sexual orientation as factors contributing to vulnerability and employment-based discrimination. Since 2015, the World Bank has pursued a proactive agenda through their SOGI working group.⁹⁹ It conducts the Equality of Opportunity for Sexual and Gender Minorities Study, which, now in collaboration with the ADB, aims to assess the laws and regulations affecting the lives of LGBTIQ+ people in 64 countries. The study will serve as a foundation for policy recommendations, informing development policy financing and other interventions.¹⁰⁰

The following section outlines the civil society engagement frameworks of each multilateral development bank and evaluates their adequacy in addressing the challenges of shrinking civic space in the regions.

⁹³ On 17 December 2024, the World Bank approved USD 350 million grant for the Rogun Dam, with plans for an additional USD 350 million loan. Other multilateral development banks are also contributing, including the ADB (USD 500 million), the EIB (USD 500 million), and the AIIB (USD 500 million). World Bank, [Sustainable Financing for Rogun Hydropower Project \(P181029\)](#), World Bank, November 2024.

⁹⁴ Ibid.

⁹⁵ Jacques Leslie, [In a Major Reversal, the World Bank Is Backing Mega Dams](#), *Yale School of the Environment*, 19 December 2024.

⁹⁶ Human Rights Watch, [“We Suffered When We Came Here” – Rights Violations Linked to Resettlements for Tajikistan’s Rogun Dam](#), *Human Rights Watch*, July 2014.

⁹⁷ Eurasianet, [Tajikistan: Rogun Dam is a white elephant in the making – report](#), *Eurasianet*, 12 December 2024.

⁹⁸ Asian Development Bank, [Summary of the Analytical Study for the Safeguard Policy Review and Update: Sexual Orientation, Gender Identity, Gender Expression, and Sex Characteristics \(SOGIESC\)](#), *Asian Development Bank*, May 2022.

⁹⁹ World Bank, [Sexual Orientation and Gender Identity](#), *World Bank*, accessed 8 January 2025.

¹⁰⁰ World Bank, [International Development Association’s Twentieth Replenishment Mid-Term Review: Note on IDA’s Contribution to Sexual Orientation and Gender Identity Inclusion](#), *World Bank*, 15 November 2023.

World Bank Group

The World Bank's Country Engagement approach,¹⁰¹ introduced in 2014, consist of four steps resulting in two key documents: the Systematic Country Diagnostic reports and the Country Partnership Framework. The Framework is a four-to-six-year strategy document guiding World Bank Group activities in borrower countries, requiring consultation with stakeholders, including civil society organisations. An analysis of 51 Systematic Country Diagnostic reports between 2019 and 2021 shows that at least half discuss civic space issues. However, only four of these reports address these concerns in sufficient detail to integrate them into the Framework.¹⁰²

The World Bank mandates citizen involvement in all sectoral policies and projects. However, in 2024, the bank removed a decade-old requirement for projects to include and monitor citizen engagement and abandoned its only analytical tool for assessing civic space in lending decisions.¹⁰³ Discussions between civil society organisations and bank management continue regarding how the World Bank should report on and measure civil society engagement. Plans are in place to conduct pilot programmes in 22 countries, including Uzbekistan.¹⁰⁴

The World Bank's Environmental and Social Safeguard policy framework requires meaningful consultations with affected communities and relevant civil society as a part of project preparation.¹⁰⁵ In practice, however, experiences vary across countries. Local civil society representatives often have limited access to information and consultations, even in partly free nations. Nevertheless, in these countries, civil society organisations can still raise their voices through media and other mechanisms, including the courts and national and international redress systems. These channels can bring about significant transformations in programmes or projects through direct engagement with the banks. In not-free regimes, however, local voices and concerns often go unheard due to widespread fears on the ground.

The shrinking of civic space must compel the World Bank to take relevant action. While it plans to strengthen relationships with civil society, it does so without directly addressing threats to civic space. The World Bank Group's evolution roadmap aims to enhance 'civil society engagement and other country level partnerships to provide critical inputs for World Bank investments to better reach clients'. Encouraging citizen engagement and social accountability are seen as essential to improving governance. Nevertheless, the roadmap does not outline specific measures for addressing shrinking civic space, which is crucial for creating 'lasting solutions for people and the planet'.¹⁰⁶

For example, the World Bank's position that any new lending to the Ugandan government would be halted after the adoption of anti-LGBTIQ+ laws represents a good example of the bank's commitment to protecting

¹⁰¹ World Bank, [Towards the Country Partnership Framework](#), *World Bank*, accessed 24 December 2024.

¹⁰² Bank Information Center, Accountability Research Center, Oxfam, [Civic Space The missing element in the World Bank's Country Engagement Approach](#), *Oxfam*, September 2022.

¹⁰³ Rachel Nadelman, [Is the World Bank rolling back commitments to citizen engagement, again?](#), *Bretton Woods Project*, 3 July 2024.

¹⁰⁴ Akihiko Nishio, [Why the World Bank's IDA is deepening its partnership with civil society](#), *World Bank Blogs*, 9 September 2024.

¹⁰⁵ World Bank, [Environmental and Social Framework](#), *World Bank*, 4 August 2016.

¹⁰⁶ Development Committee (World Bank and IMF), [Ending Poverty on a Livable Planet: Report to Governors on World Bank Evolution](#), *World Bank Group*, 28 September 2023.

internationally recognised human rights.¹⁰⁷ The bank's stance is that discrimination can hinder economic progress and that inclusive policies are vital for sustainable development.¹⁰⁸ The World Bank's 2024–2030 Gender Strategy seeks to achieve gender equality and empower marginalised groups, including the LGBTIQ+ community. Importantly, it also recognises the need to advocate for the rights of these groups.¹⁰⁹

However, the newly published World Bank Country Gender Assessment report on Uzbekistan¹¹⁰ contains no mention of LGBTIQ+ issues, despite praising the government for making significant progress on gender equality. Since 2012, the World Bank has provided around USD 400 million to Uzbekistan.¹¹¹ However, LGBTIQ+ individuals, primarily gay and bisexual men, continue to experience significant discrimination in the form of restricted access to quality healthcare, most notably.¹¹² Many are reluctant to be tested for HIV because of the requirement to disclose their sexual partners to authorities.¹¹³ LGBTIQ+ people in Uzbekistan are also more prone to depression and poor mental health than the general population, mainly due to social exclusion.^{114,115}

These are the issues the World Bank must address in each country to ensure the protection of LGBTIQ+ people, promote their meaningful participation in its operations, and address the widespread violation of human rights in its countries of operation, whether in Uzbekistan,¹¹⁶ Georgia,¹¹⁷ or elsewhere.

European Bank for Reconstruction and Development

Established in 1991, the EBRD is the youngest of the regional development banks. It has a mandate to support reforms that strengthen multiparty democracy, pluralism, and market economies in its member countries. The EBRD emphasises human rights in its good governance policies (the Environmental and

¹⁰⁷ World Bank Group, [World Bank Statement on Uganda](#), World Bank Group, 8 August 2023.

¹⁰⁸ Anjali Jena, Himanshu, [Banking on Rights: The World Bank's Freeze On Loans In Uganda Amid Anti-Gay Laws – A Watchdog For Human Rights?](#), *Law School Policy Review*, 9 February 2024.

¹⁰⁹ World Bank, [World Bank Group Gender Strategy 2024 - 2030 : Accelerate Gender Equality to End Poverty on a Livable Planet](#) World Bank, 3 June 2024.

¹¹⁰ World Bank, [World Bank Country Gender Assessment Report: Uzbekistan](#), World Bank, 17 June 2024.

¹¹¹ World Bank, [World Bank Projects & Operations](#), World Bank, accessed 8 January 2025.

¹¹² Open for Business, [Research Series The Economic Case for LGBT+ Inclusion in Uzbekistan](#), *Open for Business*, November 2021.

¹¹³ The prevalence of HIV among men who have sex with men (MSM) in Uzbekistan is 3.7 per cent, while the prevalence in the general population is 0.3 per cent. See: Joint United Nations Programme on HIV/AIDS, [Uzbekistan](#), Joint United Nations Programme on HIV/AIDS, accessed 8 January 2025.

¹¹⁴ Transgebnder Europe, [Uzbekistan's LGBT community is under threat: Escalating human rights violations continue amid legal and social repression](#), *Transgender Europe*, 8 August 2024.

¹¹⁵ Human Rights Watch, [Uzbekistan: Forced Anal Testing in Homosexuality Prosecutions](#), *Human Rights Watch*, 5 August 2021.

¹¹⁶ Michael K. Lavers, [Multilateral development banks pressured to urge Uzbekistan to stop anti-LGBTQ crackdown](#), *Washington Blade*, April 2023.

¹¹⁷ World Bank, [Gender Based Violence in Georgia - Links Among Conflict, Economic Opportunities and Services](#), World Bank, 2017.

Social Policy,¹¹⁸ the Project Accountability Policy,¹¹⁹ the Access to Information Policy¹²⁰), aiming to respect human rights, avoid infringement, and address risks in line with international standards.

The EBRD assesses the civic space restrictions in country strategies, under Annex 1 – Political Assessment in the Context of Article 1. The Bank commits to adapting its funding strategies to that assessment and may restrict the availability of certain public sector funds or scrutinise private companies' relations with exposed officials. In 2004, the EBRD Board of Directors decided to limit its investment in Uzbekistan over the lack of progress regarding human rights.¹²¹ The Bank has been vocal on issues such as Georgia's and Kyrgyzstan's foreign agent laws^{122,123} and clearly connected the countries' democratic backsliding with future economic development. At the project level, the Bank's due diligence involves identifying major human rights and environmental risks, reviewing companies' policies, conducting integrity checks, site visits, and stakeholder consultations, and ensuring compliance with environmental and social standards.

The EBRD provides opportunities to engage with civil society organisations in policy and country strategy discussions by publishing drafts online, collecting submissions, organising hearings, and engaging with civil society organisations during annual meetings and country visits. However, our interviews showed that the proper implementation of these approaches largely depended on the country of operation. Civil engagement was not measured in the EBRD corporate scorecard.

The EBRD's safeguard policies require transparency and stakeholder engagement on each project. However, the implementation of policies is problematic. According to the International Accountability Project,¹²⁴ which monitored EBRD project disclosures on 158 projects over a year and a half, the Bank routinely failed to publish project-related information. The EBRD's performance 'falls considerably short of fulfilling communities' right to information, creating barriers to access and meaningful participation for project-affected communities.'

A lack of information limits citizen participation in public projects, including controversial projects in the energy, mining, and agriculture sectors. Notable cases include Adriatic Metals in Bosnia and Herzegovina,¹²⁵

¹¹⁸ European Bank for Reconstruction and Development, [The Environmental and Social Policy 2024](#), *European Bank for Reconstruction and Development*, accessed 20 December 2024.

¹¹⁹ European Bank for Reconstruction and Development, [Project Accountability Policy 2019](#), *European Bank for Reconstruction and Development*, accessed 20 December 2024.

¹²⁰ European Bank for Reconstruction and Development, [Access to information policy 2024](#), *European Bank for Reconstruction and Development*, accessed 20 December 2024.

¹²¹ Human Rights Watch, [Uzbekistan: EBRD Leading by Example - Decision to Cut Investment Over Rights Abuses Welcomed](#), *Human Rights Watch*, 6 April 2004.

¹²² Civil.ge, [EBRD Warns Against Foreign Agents Law](#), *Civil.ge*, 7 May 2024.

¹²³ 24.Kg, [Foreign agents law: EBRD comments on appeal from NGOs](#), *24.kg*, 14 March 2024.

¹²⁴ International Accountability Project, [In Practice: Information Disclosure at EBRD Regional Analysis: Central Asia and South Caucasus](#), *International Accountability Project*, page 5, May 2023.

¹²⁵ Martina Vranić, Pippa Gallop, [Adriatic Metals' ruthless mining: How can the EBRD help improve its clients' practices when it doesn't follow its own standards?](#), *CEE Bankwatch Network*, 27 July 2023.

Indorama Agro in Uzbekistan,¹²⁶ MHP in Ukraine,¹²⁷ and the North Macedonia Pipeline.¹²⁸ This issue also applies to projects aimed at modernizing local transportation systems, such as in Tbilisi¹²⁹ and Sarajevo. A Bankwatch report¹³⁰ found that the EBRD's efforts to engage with communities as part of its due diligence remain weak, with uneven involvement across project phases. This inconsistent involvement also undermines the overall effectiveness of monitoring and impact assessments, ultimately compromising the quality of public participation in decision-making processes.

The bank maintains a zero-tolerance policy to retaliation against civil society and project stakeholders, explicitly threats, intimidation, harassment, and violence against those who express opinions about EBRD activities. The EBRD commits to taking all credible allegations of reprisals seriously.¹³¹ However, the EBRD's response to retaliation on the ground varies based on its leverage over the government and the client. For example, it failed to prevent retaliation against workers and independent monitors on the Indorama Agro Project in Uzbekistan,¹³² as well as to stop Lydian International in Armenia from retaliation, strategic lawsuits against public participation, and defamation against critics of the Amulsar.¹³³

The Bank acknowledges its limitations in terms of the engagement of local civil society organisations and limited civic space in countries of operation. To address some of those challenges in 2023, the Bank established a civil society organisation steering committee, comprising international organisations like CEE Bankwatch Network and national organisations from countries of operation. The civil society organisation steering committee will be responsible for advising the Bank on public country and sectoral consultations, as well as for broadening the EBRD's engagement with local civil society organisations.¹³⁴

The EBRD's 2024–2029 civil society engagement strategy¹³⁵ highlights the importance of civil society organisations as key partners, creating a safe civic space to boost collaboration and integrate their perspectives into the bank's operations and strategies. The EBRD stresses public engagement and participation as crucial for building trust and addressing the concerns of local communities. The EBRD claims that it is committed to 'shift[ing] its civil society engagement from a reactive, risk mitigation

¹²⁶ Business and Human Rights Centre, [Uzbekistan: Indorama Agro silences workers speaking out about human rights violations, according to new investigations: co. didn't respond](#), *Business and Human Rights Centre*, 5 July 2024.

¹²⁷ Vladlena Martsynkevych, [EBRD investments in Ukrainian agro-giant MHP under investigation](#), *CEE Bankwatch Network*, 2 February 2023.

¹²⁸ Pippa Gallop, [‘It’s like installing a fixed-line telephone’: Why is North Macedonia planning an oversized gas pipeline without any public debate?](#), *CEE Bankwatch Network*, 14 February 2024.

¹²⁹ Mariam Patsatsia, [Tbilisi’s transport policy conundrums: between resolution and resistance](#), *CEE Bankwatch Network*, 21 August 2023.

¹³⁰ Nina Lesikhina, [Key trends and shortcomings in community engagement on high-risk EBRD projects](#), *CEE Bankwatch Network*, 24 May 2024.

¹³¹ European Bank for Reconstruction and Development, [Integrity and Compliance](#), *European Bank for Reconstruction and Development*, accessed 20 December 2024.

¹³² CEE Bankwatch Network, [Complaint filed against EBRD: labour rights violations, land grabs and exploitation at cotton producer Indorama Agro in Uzbekistan](#), *CEE Bankwatch Network*, 5 September 2023.

¹³³ The EBRD was involved in the Amulsar project from 2009 until 2020, when ownership was transferred, severing its stake. During this time, Lydian International, a project sponsor, filed 19 strategic lawsuits against activists, using defamation suits to counteract criticism and seek compensation for reputational harm. See: Lama Almoayed, [The EBRD in Armenia: Lessons for Responsible Exit and Remedy](#), *Accountability Counsel*, 8 May 2024.

¹³⁴ European Bank for Reconstruction and Development, [EBRD CSO Steering Committee](#), *European Bank for Reconstruction and Development*, accessed 20 December 2024.

¹³⁵ Kate Power, [EBRD enhances civil society engagement with new approach](#), *EBRD*, 8 July 2024.

approach to truly proactive, impact-generating arrangements through more sophisticated and inclusive tools and instruments of stakeholder engagement.¹³⁶

On the subject of shrinking civic space, the EBRD Environmental and Social Policy¹³⁷ commits to assessing environmental and social risks, contextual risks, and the capacity and commitment of clients to implement projects in accordance with relevant environmental and social requirements. This approach is crucial, as contextual risks can expose systemic human rights violations and constraints on civic space, aligning with recommendations from human rights groups and the Office of the United Nations High Commissioner for Human Rights.¹³⁸

Asian Development Bank

The ADB's 2030 strategy focuses on eradicating extreme poverty and achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, aligning with major global commitments. It plans to enhance collaboration with civil society organisations by leveraging their local presence and specialised knowledge. It also aims to increase the involvement of civil society organisations in project design and implementation, particularly through grassroots participatory approaches targeting the poor and vulnerable, mobilising women and youth, and monitoring project activities and outputs.¹³⁹

The bank has a structured communication and engagement strategy with civil society organisations at the policy, country, and project levels,¹⁴⁰ supported by a comprehensive toolkit¹⁴¹ that establishes practices for civil society organisation involvement, from advocacy to service provision. The ADB acknowledges a broad definition of civil society, encompassing not just traditional non-governmental organisations but also grassroots community groups, social movements, and other non-profit and non-governmental initiatives. This inclusive approach recognises that civil society exists in many forms beyond formal organisations. Over almost two decades now, the bank has measured civil society's engagement in its scorecard. Since 2020, the ADB has monitored and reported civil society organisation participation in ADB-supported sovereign projects using a new indicator system: 'ADB recognizes four main approaches to participation by stakeholders, including CSOs: (i) information generation and sharing, (ii) consultation, (iii) collaboration, and (iv) partnership. These approaches cover a continuum of relationships between decision-makers and stakeholders. The level of each party's initiative and activity differs considerably.'¹⁴² Therefore, the bank

¹³⁶ United Nations Economic Commission for Europe, [EBRD Stakeholder Engagement - Principles and Approaches, 24th Meeting of the Working Group of the Parties to the Aarhus Convention](#), United Nations Economic Commission for Europe, page 5, July 2024.

¹³⁷ European Bank for Reconstruction and Development, [Environmental and Social Policy 2024](#), European Bank for Reconstruction and Development, accessed 24 December 2024.

¹³⁸ Office of the United Nations High Commissioner for Human Rights, [Comments on the European Bank for Reconstruction and Development \(EBRD\) draft Environmental and Social Policy](#), Office of the United Nations High Commissioner for Human Rights, May 2024.

¹³⁹ Asian Development Bank, [Highlights of ADB's Engagement with Civil Society Organizations 2023](#), ADB, April 2024.

¹⁴⁰ Asian Development Bank, [Operations Manual Policies and Procedures \(Section E4\) - Promotion of Engagement with Civil Society Organizations](#), Asian Development Bank, June 2023.

¹⁴¹ Asian Development Bank, [A sourcebook for engagement with civil society organisations in Asian Development Bank operations](#), Asian Development Bank, December 2021.

¹⁴² Ibid.

makes a clear distinction between groups that advocate and monitor the implementation of bank policies and projects and those whose services could be procured during project implementation.

Projects are categorised as having meaningful civil society engagement if they demonstrate high levels of information generation, sharing, or consultation. The tracking system then monitors the actual delivery of the planned meaningful engagement based on a review of the project completion report (PCR). If the PCR confirms that the planned engagement occurred, the project is counted as having delivered meaningful civil society engagement. The ADB's annual reports acknowledge significant differences in civil society organisation participation planning across sectors and geographical departments.¹⁴³

The ADB's Civil Society Engagement Toolkit (2021) and annual reports on civil society engagement do not address civil society shrinkage as an issue. The report 'Working Together for Development Results: Lessons Learned from ADB and CSO Engagement in South Asia' (2021) acknowledges that civil society shrinkage represents a significant obstacle for the achievement of the Sustainable Development Goals. It notes that, despite the formal engagement of civil society organisations in the Sustainable Development Goals, many civil society organisations across the region face increasing restrictions, including registration requirements that hinder their operations. The report suggests that the recognition of unequal civic spaces across civil society organisation types, sectors, and regions is crucial. The same report calls for increased engagement between advocacy- and identity-based civil society organisations and ADB-financed operations in South Asia due to the global shrinking of civic space over the past decade.

The bank has yet to start an open discussion on human rights, democracy, or civic space protection standards. In its new Environmental and Social Framework, adopted in November 2024,¹⁴⁴ the Bank commits to considering project related contextual risks during its Environmental and Social risk classification process. This assessment includes evaluating risks to affected communities and individuals and civic freedoms, specifically: (i) impacts on population groups who may be marginalized, disadvantaged, or at risk; and (ii) potential effects on civic space, including freedoms of expression, association, and assembly.

The newly adopted policy could offer more possibilities to speak frankly in cases such as those in Kyrgyzstan and Georgia in spring 2024. Ironically, during the ADB's Annual General Meeting in Tbilisi, which coincided with mass public protests against the Georgian government's foreign agents' law, the bank remained silent. A letter to Civil Society, sent in September 2024, emphasised that civil society is 'a key partner in strengthening the effectiveness, sustainability, and quality of our development programs and projects'¹⁴⁵ and highlighted its invaluable role in governance, transparency, local knowledge, and grassroots solutions. However, this is exactly what should be said during the Annual Meeting in front of the Georgian government.¹⁴⁶

¹⁴³ Asian Development Bank, [Highlights of ADB's Cooperation with Civil Society Organizations 2022](#), Asian Development Bank, May 2023.

¹⁴⁴ Asian Development Bank [Overview of Environmental and Social Framework](#), Asian Development Bank, 9, November 2024.

¹⁴⁵ ADB president's letter to Georgian civil society organisations, available by request.

¹⁴⁶ Eurasianet, [ADB faces some heat at Tbilisi meeting over its development policies](#), Eurasianet, 6 May 2024.

European Investment Bank

The EIB plays a crucial role in the EU's international development finance, aiming to address global challenges in climate, digital transition, inclusive growth, and jobs.¹⁴⁷ As the EU's lending arm, the EIB adheres to the Charter of Fundamental Rights of the European Union. Under its Environmental and Social Sustainability Framework, the EIB is committed to respecting human rights and supporting the transition to sustainable, climate-resilient, low-carbon, and resource-efficient economies and communities. It pledges to finance operations without causing significant environmental harm and aligns with international targets to combat climate change and biodiversity loss.¹⁴⁸ This is achieved through a human rights-based approach aimed at promoting social inclusion, reducing inequalities, and minimising health and well-being risks.¹⁴⁹ The EIB's Environmental and Social Policy mandates an analysis of contextual risks, including human rights impacts. During this analysis, the Bank may consult affected stakeholders and engage experts. In accordance with the UN Guiding Principles on Business and Human Rights, the policy sets expectations for project promoters to uphold human rights. The EIB will not knowingly finance projects that limit individual and collective rights or violate human rights. Specifically, the Bank will not tolerate forced evictions, gender-based violence and harassment, or retaliation and harassment related to EIB-financed projects. In theory, the EIB addresses instances of intimidation or reprisals seriously and expects promoters to meet their human rights obligations.¹⁵⁰ In practice, these problems are witnessed in all regions during the implementation of projects: in the Western Balkans, – for example, on the Corridor VC project¹⁵¹ – in the Caucasus¹⁵² and in Central Asia.¹⁵³

Unlike other banks, the EIB does not prepare country strategy papers but relies entirely on EU programming documents. Under the EU's Global programme, the Neighbourhood, Development, and International Cooperation instrument conducts programming on both geographical and thematic bases. Countries like Bosnia and Herzegovina, North Macedonia, Serbia, Georgia, Armenia, and Azerbaijan are neighbouring areas, while Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan, and Uzbekistan are located within Asia and the Pacific geographical area.¹⁵⁴ The EU and its Member States agree on common priorities with partner countries in joint documents (such as partnership agreements or assignment agendas), setting political and economic priorities for EU financial assistance. These priorities are then transformed into multiannual

¹⁴⁷ European Investment Bank Global, [EIB Global Strategic Roadmap: EU Finance for a Sustainable Future](#), *European Investment Bank Global*, accessed 29 November 2023.

¹⁴⁸ Ricardo Mourinho, [Financing nature and biodiversity](#), *European Investment Bank*, 14 December 2022.

¹⁴⁹ European Investment Bank, [EIB Group Environmental and Social Policy](#), *European Investment Bank*, 2 February 2022.

¹⁵⁰ European Investment Bank, [The European Investment Bank's approach to human rights](#), *European Investment Bank*, accessed 20 December 2024.

¹⁵¹ Pippa Gallop, [Bosnia and Herzegovina: Environmental and social study for Prenj motorway tunnel needs to tackle the elephants in the room](#), *CEE Bankwatch Network*, 2 July 2024.

¹⁵² Mariam Patsatsia, [The promise and perils of Georgia's East-West Highway project](#), *Green Alternative*, 2 May 2024.

¹⁵³ Manana Kochladze, [The real cost of hydropower plants in Central Asia and the Caucasus](#), *CEE Bankwatch Network*, 2 July 2024.

¹⁵⁴ European Commission, [Global Europe: Neighbourhood, Development and International Cooperation Instrument](#), *European Commission*, accessed 20 December 2024.

indicative programmes and annual action plans. The EU involves civil society organisations extensively in developing these documents.¹⁵⁵

The EU's and, consequently, the EIB's financial support is based on the 2017 European Consensus on Development,¹⁵⁶ wherein the EU and its Member States committed to implementing the 2030 agenda across all policies, integrating sustainable development dimensions and addressing the Sustainable Development Goal interlinkages. The EIB theoretically follows the EU's regional and national priorities.

The EU values civil society's role in governance and development, based on the Global Gateway principle of good governance and transparency, mandating public consultations and civil society involvement in projects.¹⁵⁷ Therefore, in some countries, the EU has begun developing 'EU roadmaps for engagement with civil society organisations', for example, civil society organisation roadmaps for Georgia, Kazakhstan, and Kyrgyzstan.¹⁵⁸ These roadmaps assess civic space, identify operational restrictions, and provide support for policy discussions and organisational growth. They ensure that civil society's contributions are recognised and coordinated between EU Delegations, Member States, and aligned donors for a consistent approach.¹⁵⁹ The EIB, in theory, should follow those roadmaps and work with the civil society organisation of a given country based on EU recommendations. However, the EIB procedures do not reflect the aspects of collaboration with civil society in the countries of operations. In fact, contrary to the objective of the roadmaps to promote the meaningful participation of civil society in multi-stakeholder policy processes, the Bank has refused to conduct public multi-stakeholder consultation on its global finance policy, the EIB Global Strategic Roadmap, in the countries concerned.¹⁶⁰

How can multilateral development banks jointly address shrinking civic space?

While multilateral development banks recognise the importance of civil society engagement and diverse stakeholder participation in their operations, more concrete action is needed. In spring 2024, the United Nations High Commissioner for Human Rights called on multilateral development banks, through their financial support, to strengthen the capacities of all states to invest sustainably in all human rights, including economic, social and cultural rights and the right to development' as UN Business and Human rights principles require. According to the Commissioner, it is essential to ensure the 'urgent reforms of the governance of international financial institutions, including the World Bank and the International Monetary Fund' and 'to put an end to policy "conditionalities" that disregard a State's human rights obligations or impacts of a State's policies on the enjoyment of human rights. And to update policy and practice to consider human rights and inequality impact before and after financial operations, loans and investments

¹⁵⁵ European Commission Directorate-General for International Partnership, [Civil Society Consultations in Partner Countries - 2023 Report on EU Delegations' Engagement with Civil Society](#), *Capacity4dev*, last updated 11 October 2024.

¹⁵⁶ European Commission, [European Consensus on Development](#), *European Commission*, accessed 20 December 2024.

¹⁵⁷ European Commission, [Global Gateway Civil Society and Local Authorities Advisory Platform](#), *European Commission*, accessed 20 December 2024.

¹⁵⁸ European Commission, [EU Country Roadmaps for Engagement with Civil Society](#), *Capacity4dev*, last update 24 November 2024.

¹⁵⁹ European Commission Directorate-General for International Partnership, [Civil Society Consultations in Partner Countries - 2023 Report on EU Delegations' Engagement with Civil Society](#).

¹⁶⁰ European Investment Bank, Response Letter to Civil Society Organisations, 2 October 2024.

to help ensure these institutions proactively support, rather than impede, the achievement of human rights and the SDGs'.¹⁶¹

In line with Human Rights Council Resolution 53/13,¹⁶² based on a UN Guidance Note on the protection and promotion of civic space,¹⁶³ the 2024 UN High Commissioner report¹⁶⁴ recommends that 'the United Nations and other international and regional organisations:

- (a) follow-up with States to ensure that efforts to support development and peace are informed by civic space assessments;
- (b) advocate with States and other actors for improved data collection and reporting on civic space trends, including the need to disaggregate and publish data, and promote consistency of definitions, terminology and other aspects related to civic space monitoring and assessment;
- (c) facilitate dialogue between State institutions, civil society, national human rights institutions and other actors for improved data collection, and support joint capacity development for reporting on the targets and indicators of the Sustainable Development Goals;
- (d) step up efforts to ensure security for civil society actors at risk, based on United Nations policies and guidance on protection, and adequately track and respond to alleged acts of intimidation and reprisals;
- (e) continue efforts to track civic space trends, based on the international human rights framework, and strengthen capacity for the timely collection of accurate and quality data, including on specific civic space restrictions and events.¹⁶⁵

Multilateral development banks already use several UN tools, including civil society engagement and ensuring security for those raising concerns about bank management or accountability mechanisms, emphasising zero tolerance for reprisals. Banks should enhance civil society engagement, enforce zero tolerance policies, and strengthen the monitoring and assessment of contextual risks to human rights and shrinking civic spaces, promoting safe civic spaces. This joint and unilateral response is crucial for achieving the Sustainable Development Goals, reducing inequality and poverty, preventing corruption among elites,

¹⁶¹ Office of the United Nations High Commissioner for Human Rights, [Integrating Human Rights into the International Financial Architecture Reforms: A Cornerstone for Realizing the 2030 Agenda for Sustainable Development and a Human Rights Economy](#), Office of the United Nations High Commissioner for Human Rights, 18 January 2024.

¹⁶² United Nations, Human Rights Council, [Resolution 53/1. Countering religious hatred constituting incitement to discrimination, hostility or violence](#), United Nations, Human Rights Council, 17 July 2023.

¹⁶³ The UN Guidance Note defines civic space as 'the environment that enables people and groups to participate meaningfully, online and offline, in the political, economic, social and cultural life of their societies, within which people express their views freely and without fear, assemble peacefully, associate and engage in decision-making processes in relation to issues that affect their lives.' This definition is based on the 'three P' system of participation, protection and promotion, implemented at the UN and country levels. See: United Nations Guidance Note, [Protection and Promotion of Civic Space](#), United Nations, September 2020.

¹⁶⁴ Human Rights Council, United Nations, [Civil society space - Report of the United Nations High Commissioner for Human Rights](#), United Nations, 66, 4 July 2024.

¹⁶⁵ The report also addresses the need for intergovernmental organisations and regional bodies to monitor civic space trends, including in the context of the Sustainable Development Goals. For example, goal 16.10 aims to ensure public access to information, protect fundamental freedoms, including issues involving human rights defenders and media protection, and enforce public access to information, while goal 5 addresses issues concerning the equal participation of women and gender-based violence.

and maintaining trust in governance, which is essential in order to avoid economic, food, and political crises.¹⁶⁶ While the debate on multilateral development banks' human rights mandate may continue, numerous precedents show that human rights can be a condition for multilateral development bank funding.^{167,168}

The World Bank's research indicates that donors and partners should ensure that development policies and programmes align with international human rights obligations to reduce fragmentation and promote respect for minimum human rights standards, thereby upholding a 'do no harm' standard in development activities.¹⁶⁹

Monitoring civic space while promoting civil society could be an effective strategy for multilateral development banks, especially in countries that restrict space for civil society organisations. However, this should be done collaboratively and jointly by all leading multilateral development banks. The banks should recognise the need to enhance their own cooperation to address human and economic development challenges, like committing to joint action on climate for the Paris Agreement, country-level coordination, leveraging partnerships, catalysing private-sector investment, and delivering greater impact. In future cases, they aim to work 'as a System for Impact and Scale'¹⁷⁰ to enhance development effectiveness, guiding decision-making in collaboration with clients and partners. This agreement,¹⁷¹ however, overlooks joint action on human rights and civic space, which is crucial for achieving the Sustainable Development Goals.

In countries with a not-free or partly free status in the region, the absence of civic space leads to operational issues for multilateral development banks in terms of the engagement of local groups, increases corruption risks, and undermines the business environment.¹⁷² The research also shows that democracy has a positive effect on gross domestic product per capita and that democratisation increases gross domestic product per capita by about 20 per cent in the long run. The effects are similar with different levels of development and appear to be driven by greater investments in capital, education, and health.¹⁷³ Without recognising these factors, addressing and achieving the Sustainable Development Goals by 2030 becomes problematic. In not-free countries and countries with backsliding democracies, the development processes are stalled, and multilateral development bank portfolios are decreasing due to increased business-related risks with regard to corruption and oligopoly, coupled with high country risks for private capital.

¹⁶⁶ Act Alliance, Development Needs Civil Society, [The Implications of civic space for the sustainable development goals](#), Act Alliance, April 2019.

¹⁶⁷ World Bank Group, Global Forum on Law, Justice and Development, [Integrating Human Rights into Development](#), World Bank Group, 26 January 2024.

¹⁶⁸ Anjali Jena, Himanshu, [Banking on Rights: The World Bank's Freeze On Loans In Uganda Amid Anti-Gay Laws – A Watchdog For Human Rights?](#), Law School Policy Review, 9 February 2024.

¹⁶⁹ World Bank, [Integrating Human Rights Into Development](#), World Bank, 149, accessed 20 December 2024.

¹⁷⁰ African Development Bank, Asian Development Bank, Asian Infrastructure Investment Bank, Council of Europe Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, Islamic Development Bank, New Development Bank, World Bank Group, [Multilateral Development Banks Deepen Collaboration to Deliver as a System](#), World Bank Group, 20 April 2024.

¹⁷¹ African Development Bank, Asian Development Bank, Asian Infrastructure Investment Bank, Council of Europe Development Bank, European Bank for Reconstruction and Development, European Investment Bank, Inter-American Development Bank, Islamic Development Bank, New Development Bank, World Bank Group, [Statement of the Heads of Multilateral Development Banks Group: Strengthening Our Collaboration for Greater Impact](#), World Bank Group, 13 October 2023.

¹⁷² Annabel Lee Hogg, Robin Hodess, [The business case for protecting civic rights](#), The B Team, October 2018.

¹⁷³ Peter Dizikes, [Study: Democracy fosters economic growth](#), Massachusetts Institute of Technology News, 7 March 2019.

For example, the EBRD draft of the country strategy for Azerbaijan highlighted issues with private small and medium-sized enterprises and a diversified economy. The European Parliament has officially denounced Azerbaijan's human rights abuses, urging the EU to end its dependency on gas exports from Azerbaijan and asking the European Commission to suspend the 2022 Memorandum of Understanding on the Strategic Partnership in the energy field between the EU and Azerbaijan. The European Parliament has officially denounced Azerbaijan's human rights abuses, urging the EU to end its dependency on gas exports from Azerbaijan and asking the European Commission to suspend the 2022 Memorandum of Understanding on the Strategic Partnership in the energy field between the EU and Azerbaijan.¹⁷⁴

In June 2024, after adopting the foreign agents law, Fitch affirmed Georgia's sovereign rating at 'BB' but revised its outlook from positive to stable.¹⁷⁵ The agency forecasts inflation at 4.1 per cent and a gross domestic product growth of 5.8 per cent for the current year, with 5 per cent annually for 2025 and 2026. The adoption of this law negatively impacts Georgian companies trading on the London stock market¹⁷⁶ and causes issues for Georgian businesses.

The reduction of civic space for the purpose of fighting for human rights, environmental, social, and economic justice, and fighting against corruption and intolerance exacerbates the spread of populism and far-right ideologies, damaging fundamental freedoms and hindering development. In regimes like Russia, public criticism of government actions is criminalised, as seen in Russia, Belarus, Azerbaijan, and Tajikistan. This potential for regional insecurity demands vigilance. In Russia, UN experts note that 'incremental and calculated restrictions on human rights over the past two decades' have led to state policies that criminalise dissent and support war through censorship and propaganda.¹⁷⁷ This restricted civic space and the presence of dictatorships also undermine global and regional security, as seen in Russia's invasion of Ukraine. It should be mentioned that all public banks, including the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (formerly BRICS bank)¹⁷⁸ stopped funding to Russia a few days after its invasion of Ukraine in 2022.¹⁷⁹

The absence of a common strategy among international financial institutions, particularly the need for a unified stance on civil society organisations, significantly hampers the efforts of the UN and certain public banks, such as the EBRD, in this area. This situation also casts doubt on the feasibility of achieving Sustainable Development Goals by 2030.

Therefore, we would recommend that leading multilateral development banks start working jointly on the issue of shrinking civic space through different forms of coordination, such as high-level coordination working groups, aiming at country-level coordination, in order to promote civic space and prevent further restrictions.

¹⁷⁴ European Parliament, [MEPs denounce violations of human rights and international law by Azerbaijan](#), *European Parliament*, 24 October 2024.

¹⁷⁵ Fitch Ratings, [Fitch Revises Georgia's Outlook to Stable; Affirms at 'BB'](#), *Fitch Ratings*, 21 June 2024.

¹⁷⁶ Civil.ge, [Georgian Companies' Shares Drop on London Stock Exchange After Adoption of Agents Law](#), *Civil.ge*, 15 May 2024.

¹⁷⁷ Lisa Schlein, [UN Report: Russian Repression of Dissidents. Civil Society Reaches Unprecedented Levels](#), *Voice of America*, 22 September 2023.

¹⁷⁸ New Development Bank, [A Statement by the New Development Bank](#), *New Development Bank*, 2 March 2022.

¹⁷⁹ Barcelona Centre for International Affairs, [The World In 2024: Ten Issues That Will Shape the International Agenda](#), *Barcelona Centre for International Affairs*, December 2023.

Recommendations for multilateral development banks: Expand civic space, promote human rights, and implement the Sustainable Development Goals

The 2024 UN Sustainable Development Goal Report reveals that, with just six years remaining, current progress is falling far short of what is required to meet the Sustainable Development Goals. To achieve these goals, along with massive investment and scaled-up action, there is a clear need for an active and robust civil society, as acknowledged by multilateral development banks,¹⁸⁰ to promote and contribute to sustainable and inclusive economies, as well as to uphold accountability for and ownership of the Sustainable Development Goals, end poverty, protect the planet, and leave no one behind. Therefore, multilateral development banks should consider shrinking civic space as one of the major threats to the implementation of the Sustainable Development Goals and act for its expansion.

Multilateral development banks must address these issues together and develop joint action plans in coordination with each other and other major institutional donors. Therefore, it is crucial that multilateral development banks create a joint coordination group at the policy level to address human rights and civic space in connection with the Sustainable Development Goals. At the country level, within donor coordination mechanisms, in countries with partly free and not-free regimes, the diagnosis of civic space and joint roadmaps for civil society engagement should be elaborated to address the specific issues related to civic space in that country.

Expanding civic space

- Add clear assessments of civic space-related problems along with indicators of bank actions to regional and country strategies as well as sectoral and project documentation. The assessment of civic space should be part of the country's diagnostic or strategy paper. Civic space assessments in countries with a high risk of human rights violations should be performed on an annual basis at the minimum, as a country's situation can change rapidly and unexpectedly.
- Incorporate civic space assessments into the analysis pertaining to constraints to and opportunities for poverty alleviation, economic development, and equal distribution.
- Implement a more consistent and institutionalised process of engaging with civil society organisations during the preparation of country partnership papers, policy reform and large public investment projects. This is particularly important in countries with consolidated powers and not-free regimes.
- Enhance transparency and access to information in a comprehensive manner by providing data on impacts and investments in line with best international practices,⁹¹ investigate the connections, barriers, and opportunities associated with civic space and development outcomes, and publish the findings.

¹⁸⁰ World Bank Group, [World Bank Group Partnership Fund for the Sustainable Development Goals - Annual Report 2024](#), World Bank Group, July 2024.

- Allocate resources to conduct research examining the inter-relations, barriers, and opportunities between civic space and development outcomes, and disseminate the findings.
- Include issues related to civic space in dialogues with borrower governments, including discussing the importance of open civic space for quality engagement with stakeholders to the success of development projects and programmes.

Accessing information and digital rights

Multilateral development banks should emphasise the necessity for customised strategies regarding information disclosure and access to information in countries with low internet penetration (such as Tajikistan at 36 per cent and Turkmenistan at 21 per cent), or with uneven regional coverage. In the case of problems, such as the accessibility of websites without virtual private networks in countries like Tajikistan and Turkmenistan, banks should allocate more resources to presenting their projects to the people of those countries, as well as promote their safeguards and redress mechanisms using means other than the internet.

Multilateral development banks can play a pivotal role in supporting Internet freedom through various strategies that promote open access, protect digital rights, and enhance the capacity of civil society organisations to advocate for these freedoms.

To address these issues, multilateral development banks should take the following actions:

- Incorporate internet freedom considerations into their operational frameworks and project agreements. This involves formulating clear guidelines that prohibit funding for projects that may contribute to internet censorship or the suppression of free speech.
- Enhance their engagement with stakeholders by facilitating dialogue on internet governance and digital rights by creating platforms for discussion among governments, civil society, and the private sector.
- Prioritise funding for projects that aim to improve internet infrastructure in underserved regions and invest in digital literacy programmes to bridge the digital divide, ensuring that more individuals have access to the internet.
- Support initiatives advocating policy reforms aimed at protecting online freedoms. This includes promoting legislation that safeguards against censorship and surveillance and ensuring that individuals can express themselves freely online without fear of reprisal.

Access to multilateral development bank programme and project information

Despite numerous efforts and improvements in access to information, as well as a growing understanding of the need for increased transparency to address corruption and the misuse of funds, multilateral development banks still have significant work to do to improve their performance. Our research highlights numerous concerns raised by civil society organisations on the ground that require immediate action, including the need for improved access to information, particularly in local languages.

This remains a challenge for institutions like the World Bank and the ADB, which operate across all three regions. A sustainable solution for multilateral development banks could be to follow the example set by

the EBRD, which translates a given country's strategy papers, good governance policies, and project summary documents into the local languages of the countries in which it operates.

To address these issues, multilateral development banks should take the following actions:

- Publish all project-related information on a routine basis, including project summaries and appraisal documents, environmental and social assessments, action and monitoring plans, and monitoring reports.
- Ensure the accessibility of key project-related information and documentation in local languages at an early stage.
- Support initiatives against disinformation and fake news, and actively promote information about investment issues, the role of civil society, and the costs of discrimination in the countries of operation.
- Establish secure channels for consultation through online and written procedures, including confidentiality clauses.
- Discuss concerns raised confidentially by local civil society organisations with countries under partly free regimes, where multilateral development banks could initiate and broaden dialogues on policy reform agendas with governments well before plans are finalised.

Public participation in multilateral development bank projects

The projects funded by multilateral development banks in these regions should be assessed for all types of human rights risks. This includes evaluating reprisal risks, project-related and contextual risk factors, such as an enabling environment for public participation and human rights, the engagement process, and risks related to the client, government, or third parties. Additionally, the vulnerability of affected communities should be considered, paying particular attention to the differentiated impacts on human rights defenders and other marginalised or vulnerable groups.

To address these issues, multilateral development banks should take the following actions:

- Notify local communities and rights holders from the beginning of a project about the involvement of the bank, the standards it is expected to uphold, and how they can access accountability mechanisms, anti-reprisal protocols, and contact points. The bank can also collect information on the concerns of local communities in the early stages of project development through various safe communication channels.
- Disclose all monitoring reports on environmental and social issues related to the project and discuss them with the affected communities as part of the stakeholder engagement process.
- Refrain from investing in high risk/high rewards projects in not-free regimes if there is likely to be a large-scale impact on society and the environment.
- Recognise the diversity of civil society and acknowledge the division of roles between civil society organisations, including non-governmental organisations, labour unions, community

organisations, indigenous groups, charitable organisations, faith-based organisations, professional associations, foundations, etc. and ensure that all interested stakeholders have been included in the consultations.

Addressing the anti-LGBTIQ+ and anti-gender movements

Shrinking civic space is linked to increased hatred of gender, sexual, and ethnic minorities, whereas in two countries of operation, sex between males is still a punishable act, which leads to numerous human rights violations, especially in the health and education sectors.

To address these issues, multilateral development banks should take the following actions:

- Use policy dialogue with governments to prevent and lift existing legislation related to the criminalisation or stigmatisation of LGBTIQ+ people.
- Ensure non-discriminatory access to assistance provided for LGBTIQ+ individuals.
- Ensure that health sector financing does not undermine LGBTIQ+ individuals' access to quality health facilities and treatment outcomes.
- Promote equal access to all health and education sector finances.
- Promote inclusive development outcomes across all sector investments, underlining that exclusion not only undermines LGBTIQ+ people and women but also limits the overall effectiveness of multilateral development bank initiatives.
- Conduct a country assessment to determine the input of LGBTIQ+ people in sustainable development and its impact on overall development processes.
- Incorporate gender equality into all investments while encouraging wider public discussion on these issues.

Retaliation and strategic lawsuits against public participation

Multilateral development banks have a clear and strong stance on zero tolerance for retaliation, including principles related to strategic lawsuits against public participation. It is essential to incorporate this position into operational frameworks and project agreements with both the public and private sectors. Additionally, multilateral development banks should focus on implementing cross-debarment procedures for retaliation and strategic lawsuits against public participation, alongside existing measures for corruption, fraud, coercion, and collusion. To address these issues, multilateral development banks should take the following actions:

- Implement a protocol specifying the actions a bank, along with the corresponding departments within the bank, must take in cases of retaliation.
- Develop clear and accessible protocols for ensuring the safety and security of victims, providing unambiguous reporting mechanisms for witnesses and others who raise concerns with bank management and grievance and/or accountability mechanisms.

- Uphold agreements with public and private sector investors, with official clauses stating that the bank has zero tolerance for retaliation actions or strategic lawsuits against public participation.
- Blacklist companies that are known to engage in retaliation practices and strategic lawsuits against public participation.
- Promote the protocols among local communities, as well as with governments, clients and other stakeholders.
- Support capacity-building initiatives for civil society organisations to equip them with the necessary tools and knowledge as a defence from strategic lawsuits that inhibit public participation.
- Promote legislative initiatives against retaliation and strategic lawsuits against public participation at the country level during policy dialogue.
- Foster a zero-tolerance policy towards retaliation and strategic lawsuits against public participation at a global level.

Avoiding the influence of government-organised non-governmental organisations

Government-organised non-governmental organisations are typically difficult to distinguish from independent organisations because they are often linked to political or business figures or other entities. These organisations tend to dominate speaking opportunities in international forums, taking up time and funds that could be used by genuine non-governmental organisations.

In some cases, government-organised non-governmental organisations sometimes monitor independent non-governmental organisations and report back to the authorities. This makes it essential to both protect independent groups during consultations and scrutinise which interests government-organised non-governmental organisations truly represent.

Multilateral development banks should:

- Maintain their own database of civil society organisations in each country and region in which they operate;
- Support and encourage independent groups and communities to express their vision and bring concerns and voices from the ground; and
- Conduct awareness-raising campaigns on the importance of civil society organisations for sustainable development and human rights protection.

Conclusions

This report assesses the critical role and leverage of multilateral development banks in addressing the challenges posed by shrinking civic space in the Western Balkans, Caucasus, and Central Asia. There is a pressing need for multilateral development banks to strengthen their engagement with civil society organisations and implement more robust strategies to protect and expand civic space, ensuring they achieve their own goals, especially in relation to the Sustainable Development Goals, which must be met by 2030.

Through coordinated efforts at global and national levels, multilateral development banks can set minimum standards for promoting civic space and human rights. Potential measures include integrating civic space assessments into country strategies, creating country-specific roadmaps for civil society engagement, establishing consistent engagement with diverse civil society organisations, raising their concerns during policy dialogues, and adopting strong anti-retaliation measures.

By taking these steps, multilateral development banks can foster an enabling environment for civil society and leverage their financial investments more effectively. Supporting and expanding civic space will also allow them to catalyse democratic governance, promote human rights, and accelerate progress towards eradicating poverty and achieving the Sustainable Development Goals in these regions.