

CEE Bankwatch Network comments on the EBRD's draft 2026–2030 Economic Governance Strategy

The European Bank for Reconstruction and Development (EBRD)'s draft 2026–2030 Economic Governance Strategy positions economic governance as the operational engine of transition impact, largely through: (i) policy and institutional reform to unlock private sector-led growth; (ii) the commercialisation, unbundling and, where appropriate, privatisation of state-owned enterprises; and (iii) new instruments such as Economic Governance Action Plans and Sector Reform Roadmaps, which aim to link policy dialogue and investments.¹

Bankwatch has several concerns with the draft strategy. Firstly, defining economic governance primarily as a market reform and private-capital mobilisation agenda is not fully aligned with Article 1 of the EBRD's political mandate.² The strategy lacks proper measures to address power concentration and asymmetries, protect civic space, and ensure effective remedy, particularly in contexts where democratic oversight is constrained. Secondly, the strategy focuses on improving the enabling environment for companies without addressing the need for effective compliance with subsidy control, public procurement rules, biodiversity conservation, environmental regulation, and workers' rights. These areas that are essential for delivering fair competition and sustainable markets.

Concerns related to Article 1

The draft raises concerns about whether the EBRD can meet its founding mandate as set out in Article 1, namely 'to foster the transition towards open market-oriented economies and to promote private and entrepreneurial initiative in the Central and Eastern European countries committed to and applying the principles of multiparty democracy, pluralism and market economics'. The explicit reference to countries 'committed to and applying' these principles further implies social, environmental, and democratic accountability.

Given that more than half of the EBRD's portfolio remains invested in authoritarian and hybrid regimes, the strategy should address this issue in a far more explicit manner. The EBRD's proclaimed commitments to transparency and accountability are often at odds with implementation challenges on the ground. This discrepancy between institutional rhetoric and the practical realities is an even larger primary concern for the 2026–2030 period, particularly as the EBRD expands its operations into sub-Saharan Africa and Iraq.

¹ European Bank for Reconstruction and Development, [Economic Governance Strategy 2026-30](#), February 2026.

² European Bank for Reconstruction and Development, [Basic documents of the European Bank for Reconstruction and Development | Agreement Establishing the European Bank for Reconstruction and Development](#), 4, revised 22 July 2025.

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The strategy acknowledges that ‘in addition to endemic structural factors that inhibit market creation, shifting geopolitical landscapes and the risk of inadequately designed industrial policies introduce new challenges by putting pressure on already fragile institutions, undermining government effectiveness and cementing entrenched economic structures.’³ Yet while the strategy represents an important step towards strengthening the governance dimension of the EBRD’s transition mandate, its diagnosis and proposed cure are insufficient to counter power concentration, ensure fair market competition, and create a level playing field.

To avoid conflict with the EBRD’s mandate, the strategy’s operational instruments, which include the Economic Governance Action Plans, Sector Reform Roadmaps, and diagnostics and monitoring frameworks, would need to operationalise the requirements and transition qualities under Article 1 in a measurable way. This would require integrating the screening of civic space and human rights risks, adopting a public-interest override for disclosure, and prioritising regulatory and market safeguard measures. These safeguards should include protecting regulatory independence, preventing monopolies and market distortion, and oversight of supply chains, in order to demonstrably reduce power concentration rather than merely shift it from public to private stakeholders. All of these elements are currently missing from the strategy. The instruments that have been proposed solely rely on internal processes and bilateral engagement with clients, without meaningful public involvement. This approach risks deepening power asymmetries in investment-driven process.

As it currently stands, the draft strategy does not ensure that reforms and investments avoid reinforcing the bargaining power of large corporate entities or politically connected counterparts, which ultimately leads to market distortion. Instead, it should encourage and prioritise smaller market participants and affected communities.

The draft recognises that fragile institutions, geopolitical pressures, and poorly designed industrial policies can entrench existing economic structures. However, the proposed response underplays how EBRD operations themselves can contribute to the concentration of ownership and influence through large corporate clients, opaque delivery chains, and long-term public–private partnerships or sovereign-backed structures. It also overlooks how shrinking civic space limits the strategy’s core assumptions about transparency and accountability within specific country contexts.

Therefore, the EBRD should ensure that:

- the delivery of the strategy is explicitly embedded in Article 1 commitments to multi-party democracy, pluralism, and the rule of law by introducing political reform benchmarks alongside economic governance mechanisms; and that
- Economic Governance Action Plans and Sector Reform Roadmaps incorporate political governance benchmarks, such as judicial independence, civic space, and media freedom, in addition to economic reforms, with clear consequences for non-compliance.

Power concentration and market dominance

In many countries, the concentration of land and economic power poses significant challenges that undermine the EBRD’s commitment to fair competition and market development. This can lead to situations in which state monopolies are replaced by corporate interests, which weaken environmental and social safeguards. Funding of the agricultural sector in Ukraine and development of the energy sector in Uzbekistan are prime examples. Such conditions also hinder the development of market competition and the growth of local small and medium-sized enterprises.

Ukraine

In Ukraine, financing provided by the EBRD and other international financial institutions to large agribusiness holdings has coincided with a significant concentration of agricultural land under corporate control through large-scale leasing arrangements resulting from ongoing land reform.⁴ While these investments have improved productivity and export

³ European Bank for Reconstruction and Development, [Economic Governance Strategy 2026-30](#), 10.

⁴ Frédéric Mousseau, Eve Devillers, [War and Theft: The Takeover of Ukraine’s Agricultural Land](#), The Oakland Institute, 21 February 2023.

capacity, they have also reduced market access for small farmers and increased structural inequality in rural economies.

As a result, despite aiming to build a competitive and green market, the EBRD's heavy financing of industrial 'agro-giants' like Myronivsky Hliboproduct (MHP) has led to severe environmental and social consequences.⁵ Local communities have experienced negative environmental and social impacts, including the depletion and pollution of village water sources with nitrate-heavy manure run-off, structural damage to homes from acute logistics traffic, and the marginalisation of smallholders who cannot compete with the subsidised land-grabbing power of large holdings.⁶ By prioritising high-export efficiency and operational resilience among a few massive companies, the EBRD is effectively entrenching an oligarchic land structure that contradicts its own goals of inclusivity and transparent economic governance.

Uzbekistan

The energy sector in Uzbekistan is witnessing a growing consolidation of power, with a few dominant players gaining increasing control over the market. With support from the EBRD and other international financial institutions, the Uzbek model of reverse auctions has attracted billions in foreign direct investment, mainly from two Gulf-based companies. Projects that claimed to break the monopoly of state utilities have evolved into a private-sector oligopoly, where two or three well-connected international giants dominate the market.

As a result, diversification within the private sector remains limited, with investment concentrated in large-scale, capital-intensive generation assets driven by foreign investors and long-term, state-backed revenue guarantees. Reliance on such large-scale, privately led infrastructure – secured through 25-year sovereign-backed power purchase agreements – may lock the state into long-term financial commitments that could restrict public access to affordable energy. This scenario runs counter to the EBRD's goal of expanding competitive market interactions across the sector, including providing opportunities for small and medium-sized enterprises, local supply chains, service providers, and distributed energy solutions that could better meet local economic and energy access needs.

In parallel, Uzbekistan, together with Kazakhstan and Azerbaijan, is developing a green energy corridor aimed at exporting renewable energy to Europe by 2030. Notably, the structure of these export-related projects suggests a continuity between current investor dominance and future export ambition.⁷

Civil society monitoring of renewable energy projects in Uzbekistan supported by multilateral development banks has highlighted poor environmental and social governance and limited local benefits. For example, reporting on a 100 MW solar farm in the Samarkand region – financed by the EBRD and the European Investment Bank – found that nearby communities continue to face electricity shortages and water scarcity, employment opportunities for local residents, especially women, remain extremely limited, and project documentation lacked meaningful plans to address gender-specific risks or ensure community access to benefits such as electricity or training.⁸

The cases of Ukraine and Uzbekistan illustrate how governance reforms and investments, when not accompanied by local market safeguards, risk fostering new forms of oligopoly that can undermine regulatory independence and weaken competitive, inclusive markets.

To address this gap, the EBRD must develop explicit market safeguards and operational criteria to prevent market concentration – such as monopolies, oligarchic capture, or over-reliance on large corporate clients – and ensure that governance reforms actively promote competition policy enforcement, control of direct and indirect subsidies,

⁵ CEE Bankwatch Network, [Complaints to IFC and EBRD regarding their investments in MHP](#), 5 June 2018.

⁶ CEE Bankwatch Network, [Learning from multiple crises to build resilient agri-food systems](#), 29 May 2024.

⁷ Moonyung Lee, Deger Saygin, [Financing cost impacts on cost competitiveness of green hydrogen in emerging and developing economies](#), Organisation for Economic Co-operation and Development, 27 November 2023, 2025

⁸ Nina Lesikhina, [Solar Energy Project Leaves Uzbek Women in the Dark](#), The Diplomat, 26 August 2022,

regulatory independence, transparent public procurement, and inclusive market participation. This will help create a level playing field for small and medium-sized enterprises and new market entrants.

Public-private partnerships and privatisation of state-owned enterprises

The draft strategy treats public-private partnerships and the privatisation of state-owned enterprises as the primary routes to efficiency and productivity. In practice, however, public-private partnerships and poorly sequenced reforms of state-owned enterprises can create long-term contingent liabilities, reduce democratic control over essential services, and shift costs and risks onto state budgets through poorly allocated obligations or onto households through tariff increases – particularly where regulatory capacity and judicial oversight are weak, including in authoritarian contexts.

Bankwatch’s experience in central and eastern Europe suggests that a one-size-fits-all approach to public-private partnerships and privatisation carries significant governance risks, including poor value for money, hidden or underestimated fiscal liabilities, limited contract transparency, and weak public oversight once projects move into implementation.

The Zagreb wastewater treatment plant – a public-private partnership – illustrates how costs can escalate significantly after contract signature and how accountability can be constrained by complex, long-term contractual arrangements. Despite having only four years remaining, the 28-year contract was terminated in 2024 after projections showed that returning to public management would be more cost-effective.⁹ Similar fiscal risks have been raised in relation to large hydropower concession contracts, such as for the Nenskra hydropower plant in Georgia,¹⁰ with such contract designs creating material risks for national fiscal stability.¹¹

These challenges are not unique to the EBRD’s countries of operation. Numerous studies and audits – including by the European Court of Auditors, the French, UK, German, and Albanian audit courts, and various national parliamentary commissions, among others – have concluded that public-private partnerships provide poor value for money.¹²

To ensure a transition-consistent approach, the strategy should prioritise public-interest objectives, such as universal access, affordability, labour standards, and environmental integrity, and then choose the delivery model most likely to achieve them. It should also define minimum governance preconditions and safeguards – procurement integrity, contract disclosure, fiscal risk management, independent and publicly accountable regulation, and effective grievance and remedy mechanisms – without which reforms of public-private partnerships and state-owned enterprises risk deepening capture and inequality rather than strengthening economic governance.

Accordingly, the strategy should avoid presenting ‘opening markets’ and ‘privatisation where appropriate’ as governance outcomes. Success should be measured not by private ownership, but by the ability of the project or state-owned enterprise to deliver equitable, affordable green public services.

Recommendations

- Drive all reforms of public-private partnerships and state-owned enterprises based on public-interest objectives, including universal access, affordability, labour standards, and environmental protection, rather than by privatisation or efficiency considerations.

⁹ Vladimir Spasić, [Zagreb terminates concession for wastewater treatment plant with E.ON, EVN](#), Balkan Green Energy News, 6 August 2024.

¹⁰ CEE Bankwatch Network, [Nenskra hydro power plant, Georgia](#), accessed 25 March 2026.

¹¹ International Monetary Fund, [IMF Staff Country Reports 21/215 | Georgia: 2021 Article IV Consultation-Press Release; Staff Report; and Statement by the Executive Director for Georgia](#), 21 September 2021.

¹² Jane Lethbridge, Pippa Gallop, [Why public-private partnerships \(PPPs\) are still not delivering](#), European Federation of Public Service Unions, European Network on Debt and Development, 14 December 2020.

- Apply mandatory governance safeguards – transparent and competitive procurement, full contract disclosure, independent and accountable regulation, robust fiscal risk management, and effective grievance and remedy mechanisms – as preconditions for support. Projects that fail to meet these minimum governance standards should not proceed.
- Establish third-party monitoring and public reporting to prevent capture, fiscal risk, and market distortion, measuring success by the ability of public–private partnerships and state-owned enterprises to deliver equitable, inclusive, and sustainable services and ensuring that privatisation does not entrench market concentration or undermine regulatory independence.

Digitalisation

The overarching goal of the EBRD’s 2026–2030 Strategic Capital Framework is to harness digitalisation as a strategic enabler of systemic impact. To achieve this goal, the EBRD is considering prioritising: (i) support investment to drive digitalisation across sectors and economies; (ii) strengthening digital awareness, skills and expertise; and (iii) promoting good digital governance at national and client level to build competitive and resilient digital systems.

The draft Economic Governance Strategy frames digitalisation as a cross-cutting enabler to increase transparency and reduce administrative costs, with emphasis on (i) e-government and business-facing public services, (ii) cybersecurity resilience and data governance, and (iii) the modernisation of state-owned enterprises and clients, as exemplified by the EBRD’s recent EUR 190 million loan agreement with Tunisie Telecom.

Nevertheless, the EBRD’s draft economic governance strategy fails to tackle significant digital risks highlighted by the Office of the United Nations High Commissioner for Human Rights. These concerns arose from an analysis of 3,450 projects funded by nine major multilateral development banks, conducted to clarify how digital risks are recognized and managed. The key risks and findings of this report, included

- **Privacy, surveillance and political misuse:** Digital public infrastructure and artificial intelligence (AI) can enable censorship and politically motivated surveillance in authoritarian or hybrid regimes. Digital ID and e-government can drive over-collection, unsafe sharing, and politically motivated monitoring.
- **Digital divide:** Digital-first reforms can exclude people without access or literacy, connectivity or skills, worsening inequality especially among women, girls and the elderly.
- **Transparency without accountability:** the promotion of e-procurement enhance transparency, however, these systems often lack early-stage public participation. Without independent verification of data and meaningful involvement of rights holders in decision-making, transparency alone could not ensure accountability. Therefore, e-procurement risks becoming a formal ‘checkbox’ exercise rather than a tool for genuine oversight.
- **Algorithmic bias:** Automated decisions may reproduce discrimination in areas like credit, eligibility and targeting.
- **Freedom of expression or association:** Digital reforms can enable censorship, shutdowns, and over-regulation of online content.
- **Weak remedy for digital harms:** the development bank’s safeguards policies do not set clear responsibilities to prevent and remedy harms (e.g., data breaches, discriminatory algorithms), with responsibility largely pushed to clients. Accountability mechanisms like the EBRD’s Independent Project Accountability Mechanism may need digital expertise and longer timeframes to address lasting harms.

Recommendations

- Classify digitalisation and AI-related projects as high-risk operations, particularly in authoritarian or fragile contexts, and require independent human rights due diligence. This should include safeguards on data

privacy, prevention of surveillance and political misuse, algorithmic transparency, and clear accountability mechanisms for digital harms, ensuring that digital reforms do not undermine civic space, fundamental rights, or democratic governance.

- Ensure that digitalisation initiatives go beyond efficiency and transparency by embedding meaningful public participation, independent verification of data, and accessible grievance mechanisms.
- Address the digital divide by requiring inclusive design (access, affordability, digital literacy) and ensure that e-government and e-procurement systems do not become ‘checkbox’ transparency tools but genuinely improve accountability and equal access to services.

Delivery of the 2026–2030 Economic Governance Strategy

The strategy’s approach to systematically screening all operations is a positive step forward, providing new operational instruments – Economic Governance Action Plans, Sector Reform Roadmaps, and diagnostics and monitoring frameworks – that have the potential to link investments with governance reforms. However, key gaps remain that could undermine effective implementation. Specifically, the design of these instruments relies heavily on the willingness of clients to reform, an approach that is likely to exclude high-risk countries where such reforms are most needed.

In this context, the EBRD must establish clear, mandatory mechanisms to ensure these essential reforms are implemented. It should also strengthen its assessment of governance risks and, where needed, apply targeted interventions by specifying conditionality, incentives, and support for independent regulators and civil society.

As highlighted above, the strategy’s operational instruments should translate Article 1 commitments and transition qualities into clear, trackable requirements. This should include screening of civic space and human rights risks alongside relevant requirements, the application of a public-interest rule for disclosure, and the use of stringent anti-capture measures that reduce power concentration rather than simply shifting it from the state to private entities.

Once higher standards of transparency, accountability, and participation are in place and all systemic risks, including market concentration and digital governance, are addressed, these instruments can bring about systemic and sustainable change. To this end, the draft documents of these instruments must be made public to allow for civil society input before they are finalised and presented to the EBRD’s Board of Directors.

The Economic Governance Action Plans could prove to be a strong mechanism for translating governance potential into project-level commitments provided they are consulted with the public, including civil society organisations and other stakeholders, the undertaken commitments and milestones are published, and mechanisms for stakeholder feedback and independent monitoring are incorporated. This would enhance credibility, allow for external verification of reform progress, and increase a feeling of ownership among stakeholders.

The EBRD will report on the strategy’s implementation through its corporate scorecard, performance monitoring frameworks, Board updates, and the annual Impact Report. However, most of this reporting is internal, or only partly public. To increase transparency, the Bank should publish clearer, easier-to-access information on economic governance results, including wider systemic impacts. This reporting should also address indicators for inclusion, competition, and access to markets, as well as basic safeguards for digital governance. The Bank should also commission regular independent reviews to determine whether Economic Governance Action Plans and Sector Reform Roadmaps are delivering real, systemic change.

Recommendations

- Develop mandatory participatory mechanisms and ensure that Economic Governance Action Plans, Sector Reform Roadmaps, and project-level diagnostics are not reliant solely on client willingness to reform. These mechanisms should include clear requirements, incentives and conditionality and support for independent regulators and civil society, especially in countries and sectors where governance risks are most acute.

- Oversee projects and use safeguards, conditional approvals, or suspension clauses to avoid reputational or operational risks with companies that have poor track records.
- Disclose Economic Governance Action Plans, Sector Reform Roadmaps, and draft governance mechanisms for public consultation before Board approval. Apply a public-interest rule for disclosure and ensure mechanisms for independent verification and stakeholder feedback are embedded.
- Build in third-party or civil-society monitoring and commission regular independent reviews to assess whether these mechanisms are actually delivering systemic change.
- Expand reporting beyond internal scorecards to include competition, inclusion, access-to-market outcomes, and digital governance safeguards.

Ukraine reconstruction strategy

The 2026–2030 EBRD Economic Governance Strategy considers Ukraine a top operational priority, highlighting economic governance as a critical pillar for both wartime resilience and post-war reconstruction. The strategy's emphasis on EU integration alignment, financial sector reforms, anti-corruption initiatives, and the Ukraine Recovery and Reform Architecture reflects a strong commitment to institutional strengthening and sectoral transformation. By embedding sectoral experts in key ministries, supporting capital market development, and promoting higher integrity standards, the EBRD can play a pivotal role in stabilising Ukraine's economy and facilitating EU accession.

However, the strategy provides limited guidance on maintaining transparency and governance under martial law. Therefore, the framework for municipal-level reconstruction should be strengthened to mitigate the risks of local-level corruption and reverting to previous inefficient solutions.

To fully realise Ukraine's potential to 'build back better', as outlined in the Fifth Rapid Damage and Needs Assessment,¹³ the strategy should explicitly integrate green, digital, and resilient infrastructure standards into all reconstruction initiatives. Additionally, safeguards are needed to prevent the recapture of state-owned enterprises during privatisation or commercialisation. The EBRD should also consider closer collaboration with Ukrainian anti-corruption authorities to ensure that anti-corruption and procurement measures are meaningfully applied in practice, and suspend funding in cases where investigations are ongoing.

Case study: Varshavsky residential project, Stolitsa Group, Ukraine

In March 2026, the EBRD published its project summary document on the Varshavsky residential project in Kyiv. The project developer is the Stolitsa Group, a company under investigation by the National Anti-Corruption Bureau of Ukraine for alleged land and development corruption.¹⁴ The Bureau's investigation of Stolitsa and its founder Vladislava Molchanova concerns allegations of illegal land transfers, fictitious transactions, and misappropriation of state property, illustrating high-level governance risks.

According to the EBRD's website, the project has passed a final concept review¹⁵ and is now awaiting Board approval. This has raised considerable concern among Ukrainian civil society and the wider public. The available project information lacks sufficient detail on integrity risks, undermining transparency and the Bank's own governance standards. The case highlights the country's persistent challenge posed by politically connected companies operating in sectors prone to corruption, particularly real estate and construction.¹⁶

¹³ World Bank, Government of Ukraine, European Union, United Nations, [Ukraine fifth Rapid Damage and Needs Assessment RDNA5](#), February 13, 2026

¹⁴ Interfax-Ukraine, NABU accuses ex-MP Ivaniushenko, Stolitsa Group founder Molchanova of seizing 18 ha of land near Kyiv, 6 September 2025.

¹⁵ European Bank for Reconstruction and Development, [RLF-Varshavsky Residential](#), Ukraine, Update 6 March, 2026

¹⁶ ANTIKOR, [Media as a weapon: Defendant owner of Stolitsa Group Vlada Molchanova bought "Apostrophe", but the media holding did not save her from the NABU case](#), 25 November, 2025

Recommendations

By addressing these gaps, the EBRD can ensure that its engagement strengthens both institutional capacity and long-term societal resilience, through:

- aligning reconstruction governance with build-back-better recommendations to ensure green, resilient, and inclusive infrastructure across all projects;
- expanding Sector Reform Roadmaps to cover local authorities, who will implement the bulk of reconstruction projects and face unique corruption and capacity challenges;
- working with Ukrainian authorities to ensure independence and enforceable property rights become a prerequisite for effective EBRD engagement in Ukraine;
- implementing measures to prevent recapture of state-owned enterprises by vested interests during privatisation or commercialisation; and
- providing explicit guidance on maintaining transparency, accountability, and participatory governance under martial law, balancing rapid decision-making with proper oversight.

Human capital and equality of opportunity

The EBRD's 2026–2030 Strategic and Capital Framework identifies 'human capital and equality of opportunity' as one of its three strategic themes. The Economic Governance Strategy claims to support this effort by reducing 'structural barriers'¹⁷ through anti-corruption frameworks and competitive procurement.

While the proposed strategy recognises economic governance and equality of opportunity for all as mutually reinforcing drivers of inclusive growth, it should more explicitly acknowledge the central role of the state and public institutions in creating an enabling environment for the economic and political inclusion of women and LGBTIQ+ people in the EBRD's countries of operation.

In 10 of these countries, consensual same-sex relations remain criminalised, while several other countries have experienced significant backsliding on LGBTIQ+ rights in recent years. At the same time, global progress on gender equality is increasingly fragile: 24% of countries report a backlash against gender equality,¹⁸ only 4% of women live in countries nearing full legal equality, and no economy provides equal economic opportunities.¹⁹ Austerity measures, rising debt, shrinking civic space, and increased resource scarcity, accompanied by extended corporate concentration are eroding previous gains.

The EBRD 2024 Impact Report confirmed that legal frameworks often fail to adequately protect women or are poorly enforced, limiting progress on equal rights and opportunities.²⁰ In this context, economic governance cannot be fully effective where segments of the population or business community face structural barriers to market participation.

Recommendations

- State explicitly that sound economic governance requires non-discriminatory institutional frameworks that ensure equal access to markets, employment, public services, and finance for all economic stakeholders, including women and LGBTIQ+ people.

¹⁷ European Bank for Reconstruction and Development, [Economic Governance Strategy 2026-30](#), 24.

¹⁸ Constanza Tabbush, [Understanding backlash against gender equality: Evidence, trends and policy responses](#), UN Women, September 2025

¹⁹ World Bank Group, [Women, Business and the Law 2026: Benchmarking Laws for Jobs and Inclusive Growth](#), March 2026.

²⁰ European Bank for Reconstruction and Development, [EBRD Impact Report 2024](#), 12 May 2025.

- Refer to the forthcoming 2026–2030 Gender Equality and Human Capital Strategy and ensure that economic governance objectives are aligned with and informed by EBRD commitments on gender equality and inclusion.
- Strengthen the integration of non-discrimination and inclusion considerations – including risks related to sexual orientation and gender identity – across governance diagnostics, project screening, transition plans, and reform design.
- Ensure that proposed reforms and action plans do not undermine equality and actively address structural constraints to women’s inclusion, including tax policies, austerity measures, debt burdens, and trade regimes.
- Commit to strengthened policy dialogue on gender equality, prevention of gender-based violence and harassment, and anti-discrimination reforms, alongside building state capacity to implement these effectively, even in politically sensitive contexts.
- Ensure that EBRD-supported public and private sector enterprises have the incentives, capacity, resources, and accountability mechanisms to adopt high standards on women’s and LGBTIQ+ inclusion. This should include measures such as gender quotas, gender-based violence and harassment prevention policies, gender pay gap mitigation plans, and care-supportive workplace policies.
- Develop specific indicators across outputs, stakeholder outcomes, market effects, and broader context to track how inclusive economic governance reforms, transition plans, and supported enterprises are in practice.
- Report on strategy implementation by systematically integrating inclusion and non-discrimination-related policy and project-level interventions into the annual EBRD Impact Report.

Civil society and human rights

The draft strategy acknowledges civil society organizations as ‘key partners’ for promoting accountability and public support in line with its civil society engagement strategy. However, the strategy lacks concrete mechanisms for structured involvement, feedback loops, or independent monitoring at the country or sector level. This is critical for ensuring legitimacy, accountability, and equitable outcomes. Therefore, the Bank should develop formal consultation processes for all Economic Governance Action Plans and Sector Reform Roadmaps for civil society organisations and local communities and authorities, define civil society participation milestones, and ensure that community-level impact assessments inform investment decisions, particularly in sensitive sectors.

The Bank can also undertake numerous actions to highlight the importance of civic space and respect for human rights and start to move towards a human-centred approach. This means measuring success not just by private sector growth, but by the protection of human rights, quality of life, and the agency of local communities.

The Bank should not only ensure public participation in Economic Governance Action Plans and Sector Reform Roadmaps but also ensure anti-retaliation measures and enabling conditions for safe public participation.

Increased transparency, particularly in the case of Economic Governance Action Plans, through the disclosure of ultimate beneficial owners would help prevent support for entities close to authoritarian regimes and those associated with poor human rights records. Making these owners known would strengthen project-level engagement on governance risks, allowing the EBRD to identify and mitigate potential reputational, legal, and social risks at an early stage.

Making Economic Governance Action Plans themselves publicly available would further strengthen engagement by increasing oversight and accountability. This could include carrying out human rights assessments for B-category projects and establishing clear red lines for potentially problematic clients. For example, if a client uses strategic lawsuits against public participation, intimidation, or violence against local activists or labour organisers, the EBRD should be contractually obligated to halt disbursements in line with the Bank’s non-retaliation statement.

To protect civil space, the EBRD must ensure that the digital tools it funds, such as e-government services, include strict data privacy and protection of citizens' rights to prevent these technologies from being used for state surveillance or the suppression of dissent (see above).

Recommendations

- Introduce mandatory, well-timed public consultations for Economic Governance Action Plans and Sector Reform Roadmaps, ensuring early-stage, accessible, and documented input from civil society organisations and affected communities.
- Ensure incorporation of robust non-retaliation measures, including risk assessments, confidential reporting mechanisms, and contractual remedies to address intimidation, strategic lawsuits against public participation, or threats of violence in Economic Governance Action Plans and Sector Reform Roadmaps
- Mandate disclosure of ultimate beneficial owners and key counterparties to prevent support for entities linked to repression or human rights violations.
- Conduct proportional human rights due diligence on selected B-category projects when risks are significant and establish clear contractual red lines and stop criteria tied to funding and disbursement, and exclusion lists based on governance risks.
- Report regularly on public participation in investment projects and policy engagement, including Economic Governance Action Plans and Sector Reform Roadmaps, assessing its timeliness, inclusive, safe and meaningfulness, highlighting risks for civic space and participating gaps.