

Outreach to CSOs at the highest level EBRD President continues his dialogue with civil society

Comprehensive engagement of civil society stakeholders contributes to the policy impact that the EBRD can achieve in its countries of operations. It also adds to the EBRD's own transparency and accountability and enables the Bank to deliver better projects and policies.



Since his appointment as EBRD President in 2012, Sir Suma Chakrabarti has been committed to broadening the Bank's engagement with civil society organisations in its countries of operations in order to make best use of the sectoral expertise and on-the-ground knowledge of CSOs. In July, on the occasion of his visits to the Western Balkans and the Caucasus, the EBRD President met with local CSOs in Azerbaijan, Croatia and Bosnia and Herzegovina to hear

first-hand their views on issues vital to these countries.

Bosnia and Herzegovina

On 2 July 2013, the EBRD President met with local civil society representatives in Sarajevo. Participants from the Balkan Investigative Reporting Network, Youth Communication Centre and Women for Women International exchanged perspectives on opportunities for youth employment. CSO participants also discussed the economic empowerment of women through access to credit and jobs, and looked at good governance issues such as reform of the judicial sector reform and progress in the fight against corruption. Sir Suma encouraged CSO participation in the public consultation process regarding the draft strategy for Bosnia and Herzegovina, which is expected to start in October 2013.

Croatia

On 5 July, Sir Suma met with representatives of civil society organisations in Zagreb. Discussions covered topics related to Croatia's EU accession, such as legal reforms, national absorption capacity of EU funding and harmonisation of environmental regulation with the EU acquis. The meeting was attended by Transparency International, Sustainable Community Development (ODRAZ), Institute for International Relations and Zelena Akcija/Green Action. The President informed CSOs that the Bank will work closely with the authorities, the private sector and the EU to continue consolidating the process of transition in Croatia.

Azerbaijan

On 15 July, on the occasion of his visit to the Caucasus region, Sir Suma Chakrabarti met with representatives of Transparency Azerbaijan, the Eurasia Partnership Foundation, the Center for Economic and Social Development and NGO Hayat. Participants spoke with the EBRD President about the recent socio-economic and political developments in Azerbaijan, including the obstacles to good governance, transparency and rule of law that are hampering the development of the private sector. CSO participants also highlighted their human rights concerns and explained the needs of the civil society sector for greater organisational capacity. CSOs also shared their views on the requirements and prospects for economic diversification, regional development and infrastructure investments in the country.

September 2013

Welcome to the CSO Newsletter 33

In this issue we update you on dialogue between civil society and the EBRD, including EBRD President Sir Suma Chakrabarti's visit to the Balkans and the Caucasus and the Board of Directors' visit to Kazakhstan and Turkmenistan.

In addition, you can learn about the Bank's dialogue with civil society in Montenegro, Slovenia and Turkmenistan in the context of the EBRD country strategy reviews.

We also report on the final stages of the EBRD Energy Sector Strategy review, for which the Bank has held extensive consultations with a wide range of stakeholders.

As always, we keep you up to date with the Bank's latest policy and country strategy dialogue with CSOs, recent projects and events.

Early engagement of civil society on the country strategy for Slovenia

In line with the Bank's increased efforts to involve civil society organisations at an early stage of strategy development a CSO workshop was held in Ljubljana prior to the publication of the draft country strategy for Slovenia. This gave CSOs the opportunity to provide input to EBRD senior representatives from Banking, the Office of the Chief Economist and VP Policy who are all directly involved in drafting the forthcoming strategy for Slovenia. The meeting attracted 22 participants from 16 civil society organisations working on topics spanning from environmental protection to transparency, and from public-private-partnerships to social entrepreneurship.

In a lively debate views were exchanged on Slovenia's economic reform agenda and environmental risk mitigation. Participants particularly endorsed the proposal to support sustainable energy development in the country. A 45-day public comment period following the expected publication of the draft strategy in December 2013, will further solicit comments from all stakeholders regarding the EBRD's strategic priorities and operational responses over the next three years.



EBRD completes final round of consultations on draft Energy Sector Strategy

Since November 2012 the EBRD has been consulting with interested stakeholders, including civil society organisations, on the formulation of its forthcoming Energy Sector Strategy. Once approved by the EBRD Board of Directors the Strategy will replace the current Energy Operations Policy, which was approved in July 2006. The Strategy will provide a broad operational framework for the Bank's activities in the energy sector for the next five years, covering investments, technical cooperation and policy dialogue.



In preparing the Energy Sector Strategy a key consideration for EBRD was to enable an open exchange of views and the participation of the widest possible range of stakeholders. Accordingly, in addition to the process for public consultation on the draft strategy set out in the Bank's Public Information Policy, EBRD launched a dialogue with civil society and other stakeholders right from the beginning of the process, before any drafting of the strategy began.

This began with a public invitation to comment on the existing Energy Operations Policy in November 2012. In January 2013 EBRD hosted a meeting with a range of civil society organisations and followed that with a series of bilateral meetings at the request of individual organisations. Another key step in the process was a full-day workshop co-hosted with Chatham House in February 2013 that brought together industry, academia and civil society (for more information see [EBRD-CSO Newsletter Issue 30, December 2012](#)). EBRD received a variety of comments during this pre-drafting phase including written contributions from over 25 institutions as well as oral comments from over 50 stakeholders that participated in the meetings and workshops held. A summary of all comments received is available on the EBRD website at: www.ebrd.com/pages/sector/powerenergy/comment.shtml

Following this extensive consultation EBRD prepared a draft Energy Sector Strategy, which was issued for public review and comment from 19 July to 30 September. As part of this phase of consultation the Bank conducted four public meetings, held in London (25 July), Istanbul (2 September), Belgrade (4 September) and Moscow (6 September).

The public meetings were conducted in a multi-stakeholder format and attracted participants from international industry associations, private sector companies and civil society

organisations. Participants exchanged views and perspectives about achievements and lessons learned since the existing Energy Operations Policy was approved seven years ago. They also discussed key transition gaps in terms of security, affordability and sustainability with the aim of supporting the Bank in defining its priorities for the strategy period. Particular attention was paid to the Bank's investments in fossil fuels as well as the Bank's activities in renewables and energy efficiency in the framework of the [Sustainable Energy Initiative](#). In this context, energy supply and demand in transition economies were discussed in light of existing market failures which need to be addressed, such as distortionary subsidies, lack of competition, transparency issues and poor energy infrastructures, as well as the need to reduce carbon intensity and develop regional markets.

A comprehensive report summarising all stakeholders' comments received and EBRD management's responses will be made available to the EBRD Board of Directors to inform their decision-making on the final Energy Sector Strategy. Following the approval of the Energy Sector Strategy by the Board, the report will be publicly released alongside the final Strategy on the Bank's website as set out in the Public Information Policy.

The Energy Sector Strategy will set the framework for one of the most important areas of EBRD's operations. It has inevitably attracted a wide range of comments and some divergent views as to the best way to tackle the many complex issues in the sector. The sustained and comprehensive engagement with all stakeholders described above has been, and will be, essential to the Bank in finalising a strategy that meets that challenge.

→ www.ebrd.com/pages/sector/powerenergy

EBRD-backed Economic Council to facilitate public-private dialogue in Moldova



The EBRD assisted Moldova in the establishment of an economic advisory body to the Prime Minister with a €300,000 grant from its Early Transition Countries Fund. The Economic Council will serve as a

platform for high-level dialogue between political leaders, the business community and representatives of civil society with the aim of improving the business and investment climate and advancing sustainable economic growth. One of the functions of the Economic Council will be to advise the Prime Minister on measures to fight corruption, ensure the rule of law. The council will also provide advice on how to promote an inclusive and constructive public-private dialogue on the country's reform agenda. The Bank's new strategy for Moldova for the period 2014-17, which will be adopted by the end of 2013, also includes support for the Economic Council.

Dialogue

EBRD Country Strategy reviews

Civil society workshops on the country strategy for Turkmenistan



As part of the review process for the EBRD country strategy for Turkmenistan, the Bank hosted two consultation workshops with civil society in September 2013. The workshops aimed to solicit views on the draft strategy and the Bank's calibrated strategic approach from CSOs active in Turkmenistan and those that closely follow the EBRD's work in the country.

One of the meetings was held in the EBRD Resident Office in Ashgabat on 13 September. The event gave local civil society experts an additional opportunity to learn about the Bank's planned operational priorities in the country and discuss the draft country strategy. The second workshop took place in the EBRD London headquarters on 20 September and assembled experts from Amnesty International, Crude Accountability, Global Witness, Human Rights Watch, the Netherlands Helsinki Committee, and

the Open Society Foundation. CSOs and EBRD discussed the issues of human rights, transparency and corruption, the role of the state in the economy and the policy dialogue between the EBRD and the authorities in Turkmenistan. CSOs have widely applauded the EBRD's calibrated approach towards its operations in Turkmenistan and expressed support for the Bank's current operations and main priorities for the country as identified in the draft country strategy.

All comments received at the workshops and in writing will be taken into account by the EBRD as part of the decision-making process to approve the new country strategy for Turkmenistan. A report summarising the comments and the Bank's responses will be published on the EBRD web site following Board of Directors approval of the final country strategy for Turkmenistan in October 2013.

EBRD discusses forthcoming Montenegro strategy with CSOs

On 5 September, the EBRD Resident Office in Podgorica hosted a workshop with civil society on the review of the country strategy for Montenegro. The event attracted 18 participants from civil society organisations as well as observers from the European Commission delegation to Montenegro and the United Nations Development Programme. The discussion touched on issues such as energy security and efficiency, integrity and accountability of business partners, and policy dialogue. Civil society also encouraged the Bank to provide loans to social enterprises through financial intermediaries; to invest in affordable residential housing; and to explore business opportunities in the Northern region, which is the most economically disadvantaged area in Montenegro. Following final approval of the country strategy for Montenegro, which is expected at the beginning of October 2013, the Report on the Invitation to Comment will be published on the EBRD web site.

Board Consultation Visits

Kazakhstan and Turkmenistan

In July 2013 a delegation of EBRD Board Directors visited Kazakhstan and Turkmenistan. As part of their visit, the Directors met with a wide range of stakeholders to exchange views about current political, social and economic issues in both countries. In line with usual practice, as part of the delegation's agenda meetings with civil society were held to solicit local assessments and expertise regarding these issues, and to hear about recent trends in political and civil society development.

On 2 July, a delegation of the Board Directors met with local civil society representatives in Almaty to discuss a wide range of issues, including human rights, public participation, transparency and rule of law as well as financial sector competitiveness, pension reform, SME development, CSR and sustainability. Representatives from the Norwegian Helsinki Committee, Crude Accountability, the Eurasia Foundation of Central Asia, and the Public Policy Research Center attended the meeting.

On 5 July, on the occasion of their visit to Turkmenistan, the Directors met with representatives of Ynam NGO, IREX and Keik Okara to exchange views about the Bank's work in the country.



Recent projects

EBRD helps turn olive waste into energy in Morocco

The EBRD has signed a landmark transaction in the southern and eastern Mediterranean (SEMED) region. The Bank is providing a €2.5 million loan to Lesieur Cristal to finance the construction and launch of a new biomass boiler, which will be fuelled by processed olive waste. The energy savings and related cost reductions will amount to 400 tonnes of fuel equivalent per year, which approximately equates to 12,500 tonnes of annual greenhouse gas emissions and would allow the company to trade carbon credits on the European Carbon Market.

Total project cost: € 2.5 million; EBRD financing: € 2.5 million

EBRD invests in a new generation of healthcare in Montenegro

The EBRD is providing a €1 million loan to Codra Hospital, a leading private healthcare institution in Montenegro. The financing will help Codra Hospital invest in a new maternity ward supporting deliveries and post-delivery care for mothers and their babies and will bring the institution's quality, safety and ethical standards closer to international standards. The project is a first for the Bank in the Montenegrin health sector and only the second EBRD investment in this sector in the Western Balkans.

Total project cost: € 1.2 million; EBRD financing: € 1 million

Energy efficiency label to help Russians make green choices

Russia's first voluntary energy efficiency endorsement label has been launched with the support of EBRD's policy dialogue through its technical assistance activities and in cooperation with the Association of European Businesses (AEB). Currently, the label is aimed at a market segment that is one of Russian industry's largest energy users – stationary electric motors. The new label will raise the visibility of energy efficient goods and enable consumers to have a say in their success on the market. Producers will be able to benefit from the recognition associated with the label and to increase their market share. Eventually significant environmental benefits and cost reductions will result from the use of such products, improving their competitiveness.

EBRD financing of total project cost: EUR 289,000

→ For more information visit:
www.ebrd.com/pages/project

At a glance

EBRD environmental and social training for financial clients goes online

The EBRD has launched an online training programme to help its clients in the financial sector manage environmental and social risks arising from their lending activities.

The new online training programme is free of charge and will make EBRD expertise available to more people and accessible in a more convenient format, while saving valuable resources. As a result financial institutions will be able to add long-term value to their portfolios. In addition, the thousands of micro, small, and medium-sized companies – the ultimate beneficiaries of EBRD financing through financial intermediaries – will be able to raise their environmental and social performance standards.

→ www.ebrd.com/english/pages/news/press/2013/130920

Key dates and contacts

Public comments period

Country strategies

Poland	27/09 – 11/11/2013
Kazakhstan	30/09 – 13/11/2013
Bosnia and Herzegovina	02/10 – 15/11/2013
Azerbaijan	25/10 – 09/12/2013
Slovenia	11/12 – 24/01/2013
Serbia	10/12 – 23/01/2013

Sectoral strategies and policies

Project Complaint Mechanism	Fourth quarter 2013
Environmental and Social Policy	Fourth quarter 2013
Public Information Policy	Fourth quarter 2013

Board Consultation Visits

Slovenia	October 2013
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