



European Bank
for Reconstruction and Development

Independent
Project
Accountability
Mechanism



INDEPENDENT PROJECT
ACCOUNTABILITY MECHANISM

ANNUAL REPORT 2022

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ACRONYMS

ADB	Asian Development Bank
AIIB	Asian Infrastructure Investment Bank
AIP	Access to Information Policy
BEH	Bulgarian Energy Holding
CAO	Chief Accountability Officer
CSO	Civil society organisation
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
ESP	Environmental and Social Policy
HPP	Hydroelectric power plant
IAM	Independent Accountability Mechanism
IAMnet	Independent Accountability Mechanisms Network
IFC	International Finance Corporation
IPAM	Independent Project Accountability Mechanism
JAMS	Judicial, Arbitration and Mediation Service
MAP	Management Action Plan
MICI	Independent Consultation and Investigation Mechanism
PCM	Project Complaint Mechanism

A Message from Victoria Márquez Mees, the EBRD's Chief Accountability Officer

I am delighted to present to you our 2022 annual report. In it you will find a summary of the intensive programme of activities that the IPAM team implemented during the year, details on those cases that reported progress and a snapshot of our case portfolio.

In 2022 we managed 16 cases, reaching our first two agreements in problem solving and completing two investigations in compliance review. We also organised over 30 outreach events and engaged with more than 60 civil society organisations in the EBRD regions.

These outcomes would not have been possible without the tireless work and commitment of everyone in the team. In addition to those that were already part of our group, there were some newcomers. During the summer we welcomed Niall Watson to the compliance team as Associate Director IPAM, and were fortunate enough to be supported by Paolo Fioretti, who came to IPAM on secondment from the Bank's Office of the General Counsel.

In September 2022 we moved to the new EBRD Headquarters and, after two years of mostly remote work, we finally started to establish a hybrid routine that has promoted learning and a common vision.



However, we have also faced many challenges. Although we are working to capacity, we have been unable to meet the timeframes set in the EBRD's Project Accountability Policy, particularly for those cases being dealt with under the compliance function. The monitoring of management action plans needs to become more effective in terms of ensuring timely implementation. These are issues that will improve as we strengthen capacity and increase our influence.

The greatest challenge, however, is the increase in fear of retaliation among our requesters, which you will be able to read about in this report. Ensuring that communities are able to safely access IPAM and voice their concerns is extremely important to me and the team. As we draft our guidelines, we are learning from our cases and the guidance provided by expert voices. We will keep working in this area, engaging with our colleagues in management and reporting on progress. At IPAM we are proud of our achievements in 2022, but we know there is still a lot of work to do to ensure that the EBRD has the most effective, transparent and responsive accountability mechanism in place. We are ready for 2023 and look forward to continuing to engage with all our stakeholders to provide remedy and promote greater sustainability.



2022 HIGHLIGHTS



2022 HIGHLIGHTS

Guaranteeing safe access

The work of IPAM depends on individuals, communities and organisations being able to safely voice their concerns, seek redress and hold decision-makers to account. Increasingly, the civic space that is required to exercise this right in relation to development projects has been shrinking,¹ and retaliation has increased for those who voice concerns and seek to exercise their right to participate in the accountability process. Retaliation can include any form of threat, harassment, violence or punitive action taken against an individual, group or organisation that has lodged a complaint or voiced criticisms or concerns about a company or a project.² In recent years, IPAM has witnessed an increase in the number of complaints expressing fear of retaliation. In 2022 four out of the eight requests received, and 50 per cent of the active cases portfolio, fell into that category.

While the Project Accountability Policy (PAP) includes provisions for confidentiality, these measures are at times insufficient to ensure safe access. As a result, potential complainants do not even consider filing a complaint or, as in [Case 2020/07](#), decide to withdraw from the process even if their concerns remain unaddressed.



Case 2020/07: Understanding the context under which retaliation might occur is key. In [Case 2020/07](#), the complainants are residents of a small closely-knit Muslim community located high up in the mountains of Türkiye. The community as a whole is now strongly dependent on the project for its livelihood and had been promised employment and training to mitigate the impact it would have on their incomes owing to the loss of grazing lands. In this context, an IPAM process was seen by some as a threat and potentially a reason for not being offered employment. For the complainants, the situation became untenable; they feared being ostracised by their community and even received intimidating threats. Exercising their right to voice concerns and participate in an IPAM process represented too high a risk to their way of life and future sustenance, and they were not willing to take that risk. IPAM tried to deal with the issues, putting forward alternatives to withdrawal, but was unable to dispel their fears. In this context, the best option was to respect their decision.

1. *Civic Space: the missing element in the World Bank's Country Engagement Approach*, Oxfam, September 2022. Available at <https://oxfamlibrary.openrepository.com/bitstream/handle/10546/621418/bp-world-bank-and-civic-space-220922-en.pdf?sequence=1&isAllowed=y>

2. *Good Practice Note for the Private Sector: Addressing the Risks of Retaliation Against Project Stakeholders*, IDB Invest and IFC, 2021. Available at <https://www.idbinvest.org/en/publications/good-practice-note-private-sector-addressing-risks-retaliation-against-project>

Gradačac: concerns addressed and remedy provided

On 5 July 2022 the parties in [Case 2021/02](#) signed an agreement which provided the complainant with compensation for the partial loss of fruit trees grown in an orchard he owned in in Zelinja Srednja.

The EBRD-financed Gradačac Water Supply Project ([45810](#)) brought running water to the community and the complainant's summer house. The project caused unintentional harm, however, resulting in the destruction of part of his orchard. The complainant had tried to have his concerns addressed by the EBRD client before approaching IPAM, but had been unsuccessful.

In February 2022 IPAM visited the project site and met with the complainant at his house in Zelinja Srednja, listened to his concerns and discussed the potential outcomes of an IPAM process. Immediately after the visit, IPAM initiated a problem-solving process with the willing participation of all key stakeholders; the complainant, the client and the project team. Jointly, they determined how they would approach the problem.

As part of the process, the client organised a fact-finding visit to Zelinja Srednja, where it was confirmed that several apple trees had been uprooted during the excavation works. An expert assessed the damage and determined the amount of compensation for the harm caused.

In early July 2022 a formal hearing took place, and the complainant was offered one-off compensation. The parties signed the agreement on the same day, which allowed IPAM to successfully close the case. It only took eight months from receipt of the request by IPAM and the signing of the agreement, as well as considerable goodwill from all the parties, to resolve the issues.

[Case 2021/02](#) is the first case in which an agreement has been reached since IPAM was set up in July 2020. The quick resolution of the case was due to the commitment of all the parties and the capacity to align EBRD requirements with the local claims process.

IPAM worked with the EBRD project team, which guided the client towards a solution that would meet the local regulatory framework and the Bank's [environmental and social safeguards](#). All in all, a successful outcome.



IPAM consultations in the field, Gradačac

Compliance review: a new business model

The PAP brought a key change to the operational model for the Bank's project grievance mechanism. The Independent Project Accountability Mechanism (IPAM) has been designed to operate with a dedicated team with expertise in its subject matter, accountability, and knowledge of the way the EBRD conducts its business.

Previous mechanisms, such as the Project Complaint Mechanism (PCM) that preceded IPAM, operated under a model according to which cases were managed by external consultants hired on an as-needed basis.

In 2022 the compliance team of two had a workload of 11 cases at different processing stages. A milestone for compliance during the year was the completion of two investigations: [2019/01 Shuakhevi HPP](#), conducted by an external expert as the last compliance review under the PCM 2014 Rules of Procedure; and the second compliance review conducted under the 2019 PAP, [2020/01 North-South Corridor \(Kvesheti-Kobi\) Road Project](#).

From July 2020 to date, IPAM has completed four investigations.

For many years civil society organisations and Bank Staff had complained that the process lacked consistency and predictability. The decision was therefore taken to change from a model based on an external expert dealing with cases to an in-house, team-based model.

The new model is geared towards improvements in both areas, but challenges remain. IPAM cannot predict the number of cases it will have to handle in any given year and, when the caseload grows, the team is stretched to the limit of its capacity and struggles with timeframes.

FIGURE 1 Compliance: 2022 active cases by stage



The three stages of processing for the compliance review function

1 A **compliance assessment** process begins with an analysis of the issues raised in the request and their potential linkages to provisions of the Environmental and Social Policy (ESP) and the Access to Information Policy (AIP) to determine whether the case merits an in-depth investigation. If it does, the process includes the drafting of terms of reference that will guide the compliance review process.

2 At the **investigative stage**, the IPAM team gathers evidence using different methods such as data collection, document review, interviews and project site visits. It then analyses the information and produces a report with findings and determinations of compliance, or not, with the ESP and AIP provisions.

3 If the Bank is found not to be compliant, IPAM issues recommendations for the project to return to compliance and address the harm caused. The Bank then proposes a **Management Action Plan**, which it commits to implementing in a timely fashion.

Monitoring the Management Action Plan requires a combination of documentary review, engagement with management and requesters, site visits and even hiring experts to determine if the actions implemented by management meet the recommendations made by IPAM.

IPAM at the 31st EBRD Annual Meeting

Our Chief Accountability Officer, Victoria Márquez Mees, engaged in a conversation with Arab Watch Council Co-director Shereen Talaat, Managing Director of the EBRD's Environment Sustainability Department Henrik Linders, and UNOHCR representative Mac Darrow on the “do-no-harm” principle adopted by the Bank when addressing adverse environmental and social impacts, challenges in providing remedy to communities, responsible financing, and the role of independent accountability mechanisms in the context of the report recently published by the UN Office of the High Commissioner for Human Rights, [Remedy in Development Finance: Guidance and Practice](#).

More than 250 participants, including representatives from civil society organisations around the world and other international financial institutions, EBRD clients and business partners, EBRD Board members and management joined the session both in person and virtually. The participants stressed the need for the Bank to focus its Environmental and Social Policy review on issues related to human rights and providing remedy, and to work closely with its partners/clients in the countries it invests in to ensure that communities can raise concerns safely.



IPAM session during the EBRD's Annual Meeting in Marrakech, Morocco

2022 CASE PORTFOLIO



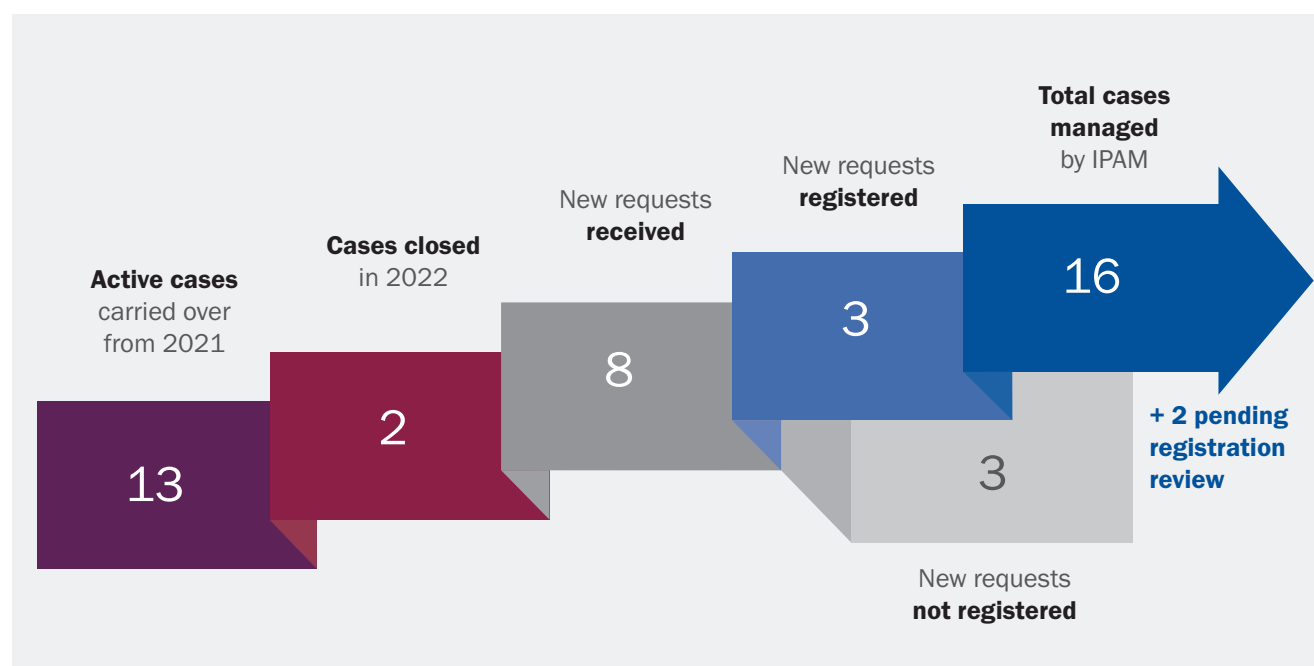
2022 CASE PORTFOLIO

Overview

The IPAM case portfolio includes requests registered in 2022 and cases under active management carried over from previous years for further processing. In addition, IPAM receives and reviews requests that are not registered, as they do not meet the criteria for processing.

IPAM started the year managing 13 cases carried over from 2021 and received eight new requests in 2022. Of the new requests, three did not meet the registration criteria, two were pending a registration decision at the end of the year and three were registered.

FIGURE 2 2022 case portfolio in numbers



Source: IPAM database

Policy definitions

Request – a complaint submitted by a complainant (requester) to IPAM or its predecessors

Case – a request registered under the PAP criteria

The requests that did not meet the registration criteria were closed within 20 business days of receipt.

- In the first request, the requester alleged that during a land expropriation process he was not treated fairly. However, he later withdrew his complaint as the project developer decided to cancel the expropriation process involving the complainant's property.
- In the second request, the allegations raised involved a project that was not receiving funds from the Bank and was therefore not within the remit of IPAM.
- The third request raised issues related to prohibited practices, which are the remit of the Office of the Chief Compliance Officer (OCCO), not IPAM. After informing the requester, IPAM transferred the request to OCCO for processing.

At the end of the year, 16 cases remained active, two cases were closed ([2021/02 Gradačac Water Supply](#) and [2020/07 Tumad Gold Mines Development Loan](#)) and two requests were still being examined to determine if they met the registration criteria.

BOX 1. Registration criteria

For requests to be registered, the 2019 Project Accountability Policy states that they must meet three criteria:

- Include all the mandatory information required for processing
- Raise issues related to specific obligations of the EBRD under its ESP and/or the project-specific obligations of the AIP
- Be submitted in relation to a project that has been approved and still within 24 months from the date that the Bank ceased to have a financial interest in the project

Additionally, a request will not be registered if any of the five exclusions listed in the Policy apply.

Source: 2019 Project Accountability Policy

TABLE 1 Portfolio of cases, 2022

Case code	Case name	Project number	Country
2022/03	Titan 2027 Eurobond	52337 , 48507 , 49709	Egypt
2022/02	DFF Adriatic Metal	52342	Bosnia and Herzegovina
2022/01	Ulaanbaatar Darkhan Road	50766	Mongolia
2021/03	Maritsa East Mines	50221 , 48556 , n/a*	Bulgaria
2021/02	Gradačac Water Supply	45810	Bosnia and Herzegovina
2021/01	Belgrade Solid Waste PPP (Request II)	46758	Serbia
2020/07	Tumad Gold Mines Development Loan	49041	Türkiye
2020/06	Corridor Vc in FBH - Part 3	49058	Bosnia and Herzegovina
2020/02	Lydian (Amulsar Gold Mine) - Extension	48579	Armenia
2020/01	North-South Corridor (Kvesheti-Kobi) Road	50271	Georgia
2019/01	Shuakhevi HPP II	45335	Georgia
2018/09	MHP Corporate Support Loan	49301 , 47806	Ukraine
2018/08	Nenskra HPP	46778	Georgia
2018/01	Kozloduy International Decommissioning Support Fund	n/a*	Bulgaria
2017/07	Lukoil Shah Deniz Stage II	46766	Azerbaijan
2017/05	Southeast Europe Equity Fund II	34894	Kosovo

*The transactions do not have a project number or PSD. Note: the 16 cases in IPAM's 2022 portfolio relate to 20 projects (some cases relate to one or more projects or investments).

Source: IPAM database

Case portfolio in numbers

About the requesters

The IPAM process is initiated when affected individuals, communities or civil society organisations (CSOs) submit a request for consideration.

The majority of the cases (75 per cent) in the 2022 portfolio were filed by project-affected communities and/or project-affected individuals. The three cases brought by non-affected organisations were received before 2020 under the former mechanism's rules of procedure, which allowed submissions by this type of requester. Currently, the Project Accountability Policy only accepts requests from non-affected organisations if they provide evidence that for certain reasons the project-affected people cannot submit the request themselves.

FIGURE 3 Cases by requester type (2022)



Source: IPAM database



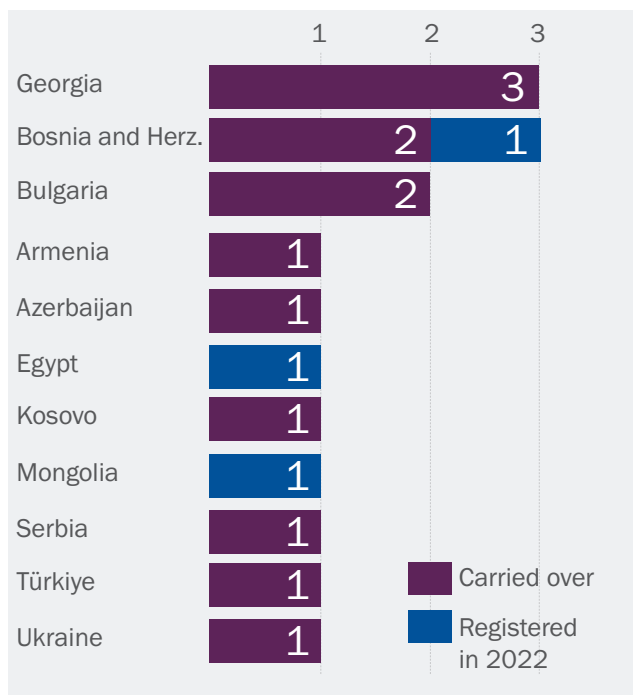
IPAM site consultation in Belgrade, Serbia

Geographic location

The sixteen active cases are located in five of the regions (Central Asia, eastern Europe and the Caucasus, south-eastern Europe, the southern and eastern Mediterranean region and Türkiye) where the Bank operates. Most cases relate to projects in south-eastern Europe (six) and eastern Europe and the Caucasus (five).

The three requests registered in 2022 are related to projects in Bosnia and Herzegovina, Egypt and Mongolia.

FIGURE 4. Case portfolio by geographic location (2022)



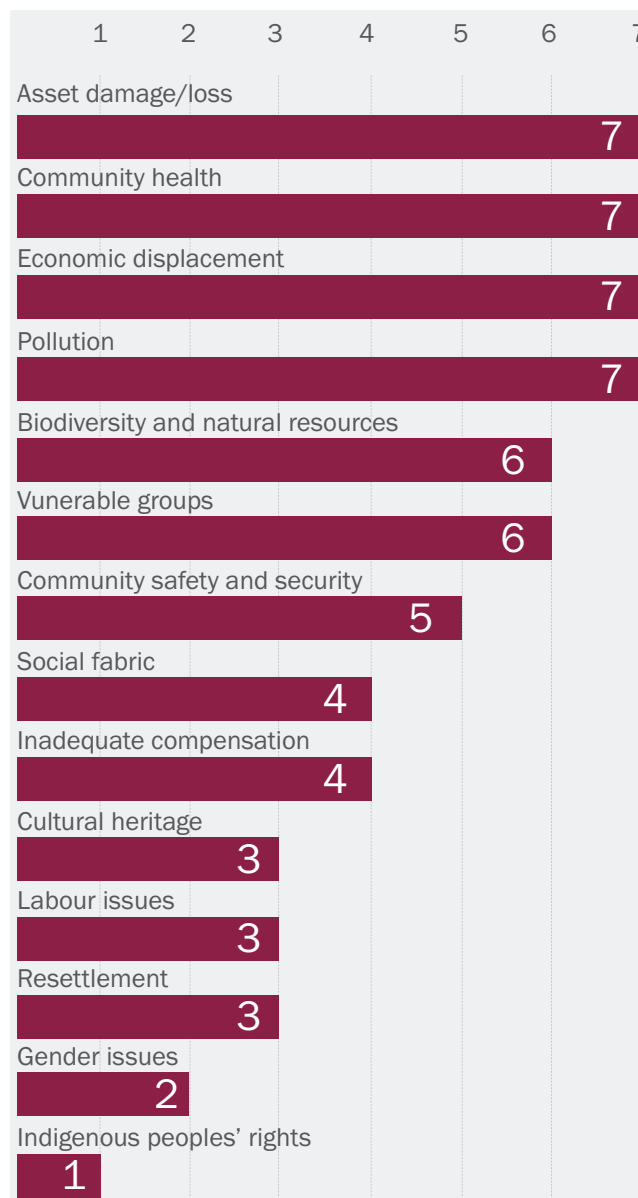
Source: IPAM database

Concerns raised

The concerns raised in the requests vary greatly, depending on the type of project, its location and the impact it has on the requesters. In 2022 the most common allegations of harm concerned the loss or damage of assets, impacts on community health, economic displacement and pollution. Regarding the three newly registered requests, the concerns related to: loss of assets, inadequate compensation, economic displacement and impacts on health.

Most allegations of harm in 2022 stemmed from concerns about the assessment of impacts and the establishment of mitigation measures covered by Performance Requirement 1. Stakeholder engagement and information disclosure is a persistent source of concern for requesters, with 81 per cent of complaints related to Performance Requirement 10 on Information Disclosure and Stakeholder Engagement.

FIGURE 5. Case portfolio by concerns raised (2022)



Source: IPAM database

FIGURE 6. Case portfolio by performance requirements raised (2022)



Source: IPAM database

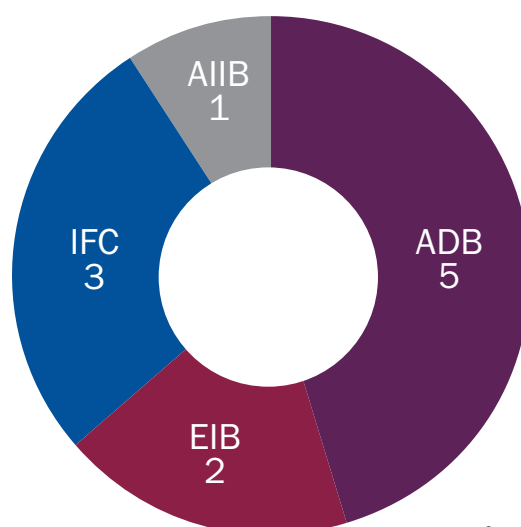
About the projects

The 2022 case portfolio relates to 20 projects funded by the EBRD. Half of the portfolio involves co-financing.

Sources of funding

Eight of the sixteen cases in the 2022 portfolio are related to projects in which other international financial institutions are also investing. In five of them, the Asian Development Bank (ADB) is a co-lender, while the International Financial Institution (IFC) is a co-financier in three. The European Investment Bank (EIB) is investing in two of the projects under review by IPAM, and the Asian Infrastructure Investment Bank (AIIB) is funding one.

FIGURE 7. Cases with financing from other international financial institutions (2022)

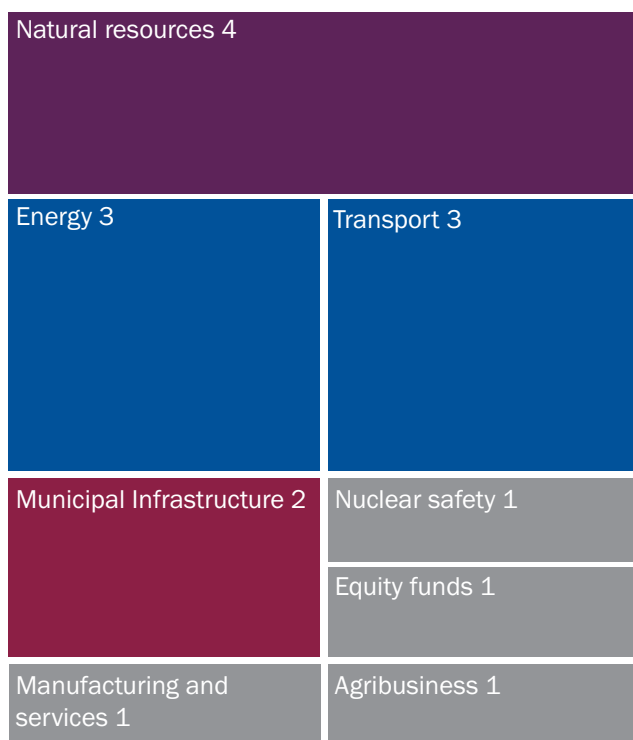


Source: IPAM database

Sector

The projects that are under review by IPAM belong to different sectors, but the majority of complaints relate to project impacts in the natural resources (three relate to mining and one to gas exploration and production), transport (three relate to roads) and energy (one relates to coal mining and two to hydroelectric power plants) sectors. Two of the three new cases also relate to natural resources (mining) and transport (road) projects.

FIGURE 8 Case portfolio by project sector (2022)



Registered in 2022:

● **Natural resources 1**

● **Transport 1**

● **Manufacturing and services 1**

Source: IPAM database

Project categorisation

As regards environmental category, the case portfolio in 2022 is almost equally balanced between projects categorised as A and projects categorised as B. Two out of the three new cases concern projects categorised as B: one relates to mining in Bosnia and Herzegovina and the other to manufacturing and services in Egypt. The third case is related to a road project categorised as A.

BOX 2. Project categorisation

The EBRD categorises proposed projects as A/B/C/FI based on environmental and social criteria to:

- reflect the level of potential environmental and social impacts and issues associated with the proposed project, and
- determine the nature and level of environmental and social assessment, information disclosure and stakeholder engagement required for each project, taking into account the nature, location, sensitivity and scale of the project and the nature and magnitude of its possible environmental and social impacts and issues.

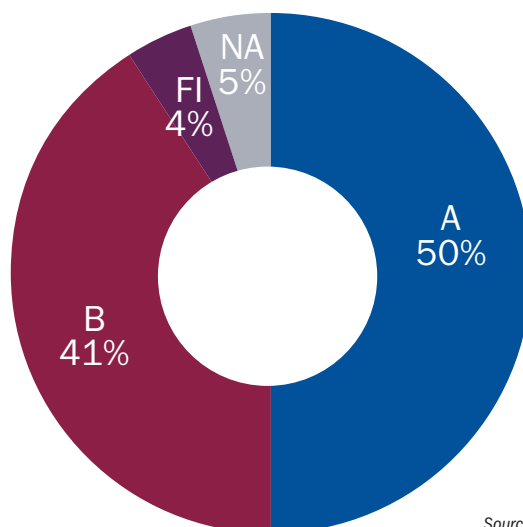
A project is categorised as A when it could generate significant adverse environmental and/or social impacts that, at the time of categorisation, cannot be readily identified or assessed and which, therefore, require a formalised and participatory environmental and social impact assessment.

A project is categorised as B when its potential adverse environmental and/or social impacts are typically site-specific and/or readily identified and can be addressed through mitigation measures. Environmental and social appraisal requirements may vary depending on the project and are determined by the EBRD on a case-by-case basis.

A project is categorised as C when it is likely to have minimal or no potential adverse environmental and/or social impacts.

A project is categorised as FI if the financing structure involves the provision of funds through financial intermediaries, with the financial intermediary undertaking the task of sub-project appraisal and monitoring.

FIGURE 9 Case portfolio by environmental category (2022)



Source: IPAM database

OUTREACH AND KNOWLEDGE-SHARING



External outreach

In its 2022 work programme, IPAM committed to an external outreach programme aimed at promoting access to the accountability mechanism. The proposal included a mix of in-person and virtual engagement with CSOs and other relevant stakeholders, and the development of outreach materials.

IPAM organised, or participated in, 12 meetings to promote access. These took place in Türkiye,

Serbia, Canada, Morocco, Bosnia and Herzegovina, Mongolia, London, New York and Washington, D.C. As part of this process, the IPAM team engaged with representatives from over 60 CSOs.

A Western Balkans-focused event was organised in Sarajevo by IPAM in collaboration with its sister mechanisms from the EIB, the IFC and the World Bank. At the event, representatives from CSOs in Bosnia and Herzegovina, Montenegro and Serbia learned about the IPAM process.

MONTH	PLACE	EVENT
January	Istanbul, Türkiye	Civil Society Rendezvous with EBRD's Chief Accountability Officer in collaboration with Argüden Governance Academy (in person)
March	Belgrade, Serbia	Access Promotion Workshop in collaboration with Bankwatch and the A11 Initiative (in person)
April	Türkiye	"Role of Civil Society in EBRD Policies and Projects in Türkiye", organised in collaboration with the Civil Society Engagement Department and the Istanbul Citizens Assembly (virtual)
May	Vancouver, Canada	Technical sessions on resettlement and cultural heritage, International Association for Impact Assessment (in person)
	Marrakech, Morocco	"Human Rights, Remedy and Accessibility", IPAM Session, EBRD Annual Meeting (in person)
	Marrakech, Morocco	Access Promotion Workshop with Moroccan CSOs, in collaboration with Arab Watch Coalition (in person)
June	Sarajevo, Bosnia and Herzegovina	"Workshop on Accountability of International Financial Institutions in Bosnia and Herzegovina, Croatia, Serbia, and Montenegro", in collaboration with IAMnet (in person)
July	Global	Webinar Series "Commercial stability in a world of conflict: Effective dispute management in uncertain times", organised by JAMs and CI Arb (virtual)
	Ulaanbaatar, Mongolia	Access Promotion Workshop with Mongolian CSOs, in collaboration with OT Watch (in person)
October	New York, USA	CSO day organised within the scope of the IAMnet Annual Meeting, hosted by UNDP (in person)
	Washington D.C., USA	IPAM MD meeting with US-based civil society organisations (in person)
November	London, UK	Civil Society Delegation visit to EBRD HQ, London (in person)

Given the increased risk of retaliation faced by communities worldwide, IPAM's outreach activities are also an opportunity to learn from local representatives what the challenges in raising concerns are, and how the mechanism and the Bank can ensure safe access.

Listening mode



In Marrakech, CSOs in the Middle East and North Africa (MENA) region told the team that they refrain from reaching out to IPAM and other grievance mechanisms because of fear of reprisals.

At the meeting, representatives from CSOs, the Accountability Counsel and Arab Watch Coalition presented their report *Our Last and Only Resort: What Happens when Development Goes Wrong in the Middle East and North Africa?*. Their findings showed that the MENA region has the fewest absolute number of complaints to independent accountability mechanisms (IAMs) of any region in the world.

The report highlights that it is possible to assume that “limited knowledge of the IAM complaint system, or a weakened civil society that is unwilling or unable to raise concerns about harm for social and political reasons, including a high risk or fear of retaliation”, might be the reason for the low number of complaints.

Among the recommendations made in the report addressed to IPAM and other mechanisms are:

- adopting zero-tolerance policies and adhering to them. In practice, this means not setting a high burden of proof for people experiencing reprisals.
- exercising leverage to prevent and respond to reprisals. This should include suspending financing when appropriate, in line with responsible exit principles.
- developing clear guidance, protocols and procedures on reprisals. The implementation of those guidelines must be considered, and Bank and IAM staff should be properly/regularly trained on handling reprisals.



Outreach with CSOs in Belgrade, Serbia

Internal outreach

Internal outreach was set as a priority for 2022 as a large proportion of our colleagues remained unaware of the existence of IPAM and its role in the EBRD's accountability framework.

In 2022 we engaged with Bank staff and management in multiple ways. Fourteen awareness sessions were held with different departments within the Bank's headquarters and resident offices, either in person or virtually. Our engagement was tailored to each department's specific needs, highlighting IPAM's relevance to their work. The sessions were also an opportunity to exchange knowledge and share our mandate. The Chief Accountability Officer put together a programme of meetings with her counterpart in the Environmental and Sustainability Department, aimed at addressing collaboration challenges from the outset.

A particular highlight of our engagement was a training session with the Office of the Chief Compliance Officer, which is responsible for addressing complaints related to prohibited practices, corruption and ethics. The aim was to learn from each other and establish an effective methodology for exchanging information when processing complaints.

The Bank's team in Central Asia, the Communications department and IPAM worked together on production of a video for staff to raise awareness about accountability and improve collaboration with the mechanism. The video was showcased during the celebration of the EBRD's 30 years of engagement in Central Asia.

The Intranet was one other tool IPAM used to communicate with Bank staff. Several blogs were posted throughout the year to share success stories, celebrate anniversaries and introduce new team members.

Knowledge-sharing and collaboration

IPAM and its staff are continuously learning and sharing their experiences with peer IAMS on technical matters, good practices and challenges.

Regional peer-to-peer learning exchange on dispute resolution

A pilot peer learning project was undertaken by IPAM, the Independent Review Mechanism (IRM) of the African Development Bank, and MICI, the independent accountability office of the Inter-American Development Bank, to encourage greater exchange between regional-based IAMS. A series of sessions were held where practitioners of the mechanisms shared the various tools they apply in different cases, as well as challenges, good practices and successes in the area of problem solving.

IAMnet Annual Meeting

The 19th Annual Meeting of the Independent Accountability Mechanism Network (IAMnet) took place in New York City from 24 to 27 October 2022. The meeting was hosted by the Social and Environmental Compliance Unit (SECU) of the United Nations Development Programme (UNDP). It was the first time in three years that the network members had met in person. The meeting featured four days of in-person and virtual panels, discussions and breakout groups. The topics discussed were providing timely remedy for communities and the increasing risk of reprisal for individuals who file complaints. There was a strong consensus amongst the IAMs on the need to create strong and effective procedures to protect communities from retaliation, and ensure they are able to safely raise concerns about development projects. IAMnet organised a training session, led by Front Line Defenders, on tools to assess and mitigate retaliation.

The IAMnet participants also met with 60 global CSOs working in the field of accountability, human rights, environmental protection and development to identify good practices and limitations within the existing mandates of IAMs.

IAMnet working groups

IPAM staff are actively engaged in different working groups contributing to topics on remedy, dispute resolution and retaliation, and promoting safe access to accountability mechanisms for communities.

In order to strengthen capacities and promote development, the Chief Accountability Officer is leading the Accountability Talent working group. Members of different IAMs are working to define the core accountability skills and competencies required in the sector, and to identify opportunities for learning and knowledge-sharing within the sister organisations.



19th Annual Meeting of IAMnet, UNDP, New York, USA

ANNEXES



2022 case summaries



Cases registered in 2022
The three new cases registered in 2022
are detailed below.

2022/03 Titan 2027 Eurobond

The request

Case status: Open
Location: Egypt
Complainant(s): Ahmed Saad Eldien Mohamed
Confidentiality: No
Date of receipt: 25 October 2022
Functions: Problem solving and compliance

The requester, Mr Saad, a former employee of the Alexandria Portland Cement Company, a subsidiary of the Titan Cement Group, alleges that as a result of his work at the cement company he developed a chronic health condition which forced him to take early retirement and undergo permanent medical treatment. In his request he acknowledges that at the time of his retirement, he received compensation from the company, but that this has proven to be insufficient to cover his medical costs. He further alleges that at that time he was pressured into accepting the amount offered, despite the fact that he had been trying to negotiate a higher amount.

The project

Name: 5NCL Eurobond (project number 48507)/ Titan 2027 Eurobond (52337)/ 7NCL Titan Eurobond (49709)
Client: Titan Cement Company SA
Approval date: 8 June 2016/7 July 2020/31 October 2017
Status: Complete/active/active
Environmental category: B

The EBRD subscribed €15 million to the €300 million 5NCL Eurobond (project number 48507) maturing in June 2021 issued by Titan Global Finance Plc, a finance arm of Titan Cement Company SA. The EBRD bond proceeds have

been used to improve the energy efficiency and environmental performance at a number of Titan's cement plants in Greece and Egypt. The project was approved on 8 June 2016 as category B under the 2014 Environmental and Social Policy. It was completed on 21 July 2020 when the client made the last payment to the EBRD.

The second EBRD project with Titan Cement Company SA is Titan 2027 Eurobond (52337). The EBRD subscribed €15 million to the seven-year, €250 million senior unsecured Eurobond issued by Titan Global Finance Plc, the finance arm of Titan Group. The Bank's proceeds are being used for the partial refinancing of the Titan Eurobond maturing in June 2021. The project was approved on 7 July 2020 as category B under the 2019 Environmental and Social Policy and is currently active. The third EBRD project with Titan is 7NCL Titan Eurobond (49709), part of a Greek Corporate Bond Framework which is supporting the development of the local capital market in Greece by facilitating Greek corporates' access to it. The project was approved on 31 October 2017 and is currently active.

IPAM processing in 2022

IPAM registered the request on 25 November 2022 under Case 2022/03, initiating the assessment stage, with a completion date set for February 2023. IPAM committed to undertaking an in-depth analysis of the request, reviewing the additional documentation provided by the parties and meeting with them.

2022/02 DFF Adriatic Metals

Case status: Open

Location: Bosnia and Herzegovina

Complainant(s): 103 citizens from the region of the Trstionica and Boriva Nature Park in Kakanj, Bosnia and Herzegovina.

Confidentiality: Yes

Date of receipt: 15 August 2022

Function: Compliance

The request

One hundred and three citizens from the region of the Trstionica and Boriva Nature Park in Kakanj, Bosnia and Herzegovina, who asked that their names remain confidential owing to fear of retaliation, grouped together to express their opposition to the development carried out as part of the DFF Adriatic Metals (52342) project. The group alleges that since 2020 and increasingly thereafter, they have witnessed devastating damage to the area's natural resources. This includes the illegal cutting down of forest areas that were earmarked for protection under projects at both cantonal and municipal level, pollution of several sources of drinkable water serving the local communities, damage to the biodiversity of the rivers, and heavy machinery illegally entering the area, causing devastation to the environment, landslides, noise pollution, vibration and drilling. Further allegations were raised about the lack of community engagement in the process. The claimants allege that the flora and fauna in the area are being severely endangered by the project, especially in terms of the pollution of the main water source for approximately 30,000 inhabitants of the Kakanj district. The complainants asked IPAM to conduct a compliance review.



Polluted water in Kakanj, Bosnia and Herzegovina

The project

Name: DFF Adriatic Metals (52342)

Client: Adriatic Metals PLC

Approval date: 6 October 2020

Status: Disbursing

Environmental category: B

The EBRD has made an equity investment in Adriatic Metals PLC through the the DFF Adriatic Metals project. The project is helping Adriatic Metals PLC transition their operations from exploration to mine development at the Vareš mineral deposit in the Zenica-Doboj canton of Bosnia and Herzegovina. This region has a history of mineral exploitation spanning over a century. The EBRD's financing constitutes £6.2 million and will be used to fund pre-development and exploration works at Vareš. The project was approved on 6 October 2020 as category B under the Bank's 2019 Environmental and Social Policy. The EBRD is currently disbursing its funding to the client.

IPAM processing in 2022

The request was registered by IPAM on 5 October 2022 under Case 2022/02, initiating the assessment stage, which ran until the end of January 2023 in accordance with the 2019 Project Accountability Policy (PAP). IPAM undertook an in-depth analysis of the request by reviewing documents, visiting the project site in December, and holding online and in person meetings with the Bank's project team, client representatives and the requesters. The assessment stage concluded with IPAM determining that the case should be transferred to IPAM's compliance function, to assess its eligibility for a compliance review based on the criteria set out in the PAP.



Reservoir in Kakanj, Bosnia and Herzegovina

2022/01 Ulaanbaatar Darkhan Road

Case status: Open

Location: Mongolia

Complainant(s): Lkhanaajav Burentugs, owner of Dugan Khad Travel LCC

Confidentiality: No

Date of receipt: 31 March 2022

Functions: Problem solving and compliance

The request

The owner of a resort located 108 km along the Ulaanbaatar to Darkhan Road in the Tuv province of Mongolia submitted a request to IPAM related to adverse impacts generated by roadworks financed by the EBRD and the Asian Development Bank. According to the requester, the road is the only access to the resort and has been closed since 2019 owing to the expansion works. This has resulted in a sharp decrease in hotel bookings and

loss of revenue, leading to a mounting debt which they are unable to repay.

Furthermore, the requester alleges that the construction works are experiencing severe delays and that no information has been provided on their progress. The requester is of the opinion that the resort will cease to operate completely if the works continue for much longer.

They also claim that other local businesses and households are being negatively impacted by the works, amongst them 30 tourist camps, six livestock farms, six restaurants, one zoo, more than 100 agricultural companies and thousands of households located along the road.

The requester contacted both the Ministry of Roads and Transport Development and the EBRD but claims to have had no response from either. A similar complaint has been sent to the accountability mechanism of the Asian Development Bank.



Grazing fields in Mongolia

The project

Name: Ulaanbaatar Darkhan Road (50766)

Client: Mongolia Sovereign

Approval date: 23 February 2022

Status: Approved

Environmental category: A

The Ulaanbaatar Darkhan Road project involves the expansion of a 202 km road in the north of Mongolia, which runs from Ulaanbaatar to Darkhan, the country's second-largest city. The road is an important artery of the Mongolian road network and part of the China-Mongolia-Russia economic corridor. According to the Project Summary Document, the EBRD project constitutes Phase II of the reconstruction works covering the widening of the road to four lanes. Phase I is funded by the Asian Development Bank and comprises the reconstruction of the existing two-lane road. The project is being implemented by the Mongolian Ministry of Roads and Transport Development (the client). The project comprises two loans: an original loan of up to US\$ 137 million approved by the EBRD Board of Directors on 11 December 2019, and a second loan of up to US\$ 20 million approved by the Board on 23 February 2022 to finance additional costs stemming from the need to structurally align Phases I and II of the project. The goal of the project is to increase the road's capacity to accommodate demand for both domestic and international journeys, and to improve road safety and climate resilience. The loan status is approved.

IPAM processing in 2022

The request was registered by IPAM on 17 May 2022 under Case 2022/01, initiating the assessment stage, which ran until August 2022. IPAM undertook an in-depth analysis of the request by reviewing documentation, holding online and in-person meetings with the Bank's project team, client representatives and the requester, and visiting the project site from 25 to 31 July 2022. In September 2022 IPAM concluded the assessment and transferred the case to the compliance function to assess its eligibility for compliance review based on the criteria set out in the PAP.

2021/03 Maritsa East Mine

Case status: Open

Location: Bulgaria

Complainant(s): Several residents from the community of Beli Bryag

Confidentiality: Yes

Date of receipt: 28 October 2021

Function: Compliance

Project name: Grant to Maritsa East Mine through the Kozloduy International Decommissioning Support Fund/BEH Bond Issue (48556)/BEH Bond Issue 2018 (50221)

Client: Maritsa East Mine and Bulgarian Energy Holding EAD

Approval date: 17 January 2014/20 July 2016/20 June 2018

Status: Finalising completion/Completed/Ongoing

Environmental category: B/B/B

The case was filed with IPAM at the end of 2021, with the request that it be considered under the compliance function. It concerns the resettlement of a village in Bulgaria as a result of the expansion of a coal mine. After the assessment process, the case was transferred to compliance at the end of 2021. In April 2022 IPAM found in its Compliance Assessment Report that the case merited further investigation and launched a compliance review. As a part of the review, the IPAM team conducted an on-site visit in July 2022 to better understand the situation and concerns raised by the project-affected people. IPAM's investigations continued throughout the remaining months of 2022, and its draft Compliance Review Report is expected to be ready in the first quarter of 2023.



Compliance team in Bulgaria on a project site visit

2021/02 Gradačac Water Supply

Case status: Closed

Location: Bosnia and Herzegovina

Complainant(s): Two residents of the municipality of Gradačac, represented by Musa Suljević

Confidentiality: Yes

Date of receipt: 26 August 2021

Function: Problem solving

Project name: Gradačac Water Supply (45810)

Client: Komunalac d.o.o. owned by the Gradačac municipality

Approval date: 27 August 2014

Status: Repaying

Environmental category: B

In March 2022 IPAM disclosed the Assessment Report for this case.

The concerns raised by Mr Suljević were found not to meet the criteria for processing, as they related to the obligations of a third party, rather than to

issues that are under the control of the Bank or the client.

The concerns raised by the second requester did meet the criteria for proceeding to problem solving. Initially, the requester had asked for confidentiality. However, given that the client had asked to be informed of the requester's identity to be able to address the concerns, the requester agreed to waive his right to confidentiality after due consultation with IPAM.

The problem-solving process was conducted between April and July 2022, facilitated virtually by IPAM. On 5 July 2022 the parties reached an agreement, which was successfully resolved with payment of compensation to the apple orchard owner for the trees he had lost as a result of the project-related excavation works. After the compensation had been paid, the case was closed.



Orchard in Zelina Srednja

2021/01 Belgrade Solid Waste PPP Request

Case status: Open

Location: Serbia

Complainant(s): Roma waste pickers represented by the A11 Initiative

Confidentiality: Yes

Date of receipt: 24 November 2020

Function: Problem solving

Project name: Belgrade Solid Waste PPP (46758)

Client: Beo Cista Energija d.o.o. Beograd

Approval date: 18 September 2019

Status: Disbursing

Environmental category: A

In 2022 the problem-solving initiative progressed with four in-person dialogue sessions with all

parties in Belgrade in March, April, October and December. Parties discussed and identified solutions to the following issues: adequate and sustainable housing for resettled families; affordable rent and utility costs; waste pickers' access to education; and income generation for resettled families.

At the last dialogue session held in Belgrade in December, the parties reached a consensus on affordable housing, outstanding utility debts and restoration of the requesters' livelihoods. A problem-solving agreement with agreed actions is being drawn up by IPAM, to be consulted by each of the parties and signed in early 2023. The case will then move to the monitoring stage and IPAM will monitor the implementation of the agreed actions.



Requesters in Vladimirci, Serbia

2020/07 Tumad Gold Mines Development Loan

Case status: Closed

Location: Türkiye

Complainant(s): Around 372 villagers represented by Halit Alkol, Mustafa Çetin, Mustaga Eren and Mehmet Karakuş

Confidentiality: Not for representatives, but villagers are to remain unnamed

Date of receipt: 23 August 2020

Functions: Problem solving and compliance

Project name: Tumad Gold Mines Development Loan (49041)

Client: Tümad Madencilik Sanayi ve Ticaret A.Ş.

Approval date: 29 November 2017

Status: Complete

Environmental category: A

At the end of 2021, the requesters informed IPAM of their wish to withdraw the complaint as a result of pressure from other community members. In response, IPAM engaged extensively with the

requesters to discuss scenarios and options for continuing with IPAM's process or closing it. When Covid-related restrictions were eased in January 2022, IPAM travelled to Türkiye to understand the situation on the ground.

During the visit, IPAM met with the client, the requesters and other members of the community. The general consensus among the residents was that the concerns raised in the request were valid and they wished to have them addressed. However, they also expressed fear that their continued participation in IPAM's process would limit their eligibility for employment at the mine. Ultimately, after several internal consultations, the requesters decided to withdraw from the process. IPAM respected the requesters' decision and closed the case in September 2022. IPAM shared key takeaways from the site visit and the areas of concern to be considered during project monitoring with EBRD management.



Problem-solving team on site visit in Türkiye

2020/01 North-South Corridor (Kvesheti-Kobi) Road Project

Case status: Open

Location: Georgia

Complainant(s): National Trust of Georgia

Confidentiality: No

Date of receipt: 16 January 2020

Function: Compliance

Project name: North-South Corridor (Kvesheti-Kobi) Road Project (50271)

Client: Government of Georgia

Approval date: 2 October 2019

Status: Disbursing

Environmental category: A

The case concerns impacts caused by a new bypass road in Georgia. In 2022 IPAM concluded

its compliance review and in February 2022 shared the draft Compliance Review Report with the parties for comments. Taking the comments into account, IPAM finalised the report, finding the Bank non-compliant with the provisions of the EBRD Environmental and Social Policy related to cultural heritage impacts and stakeholder engagement, and made recommendations for bringing the project into compliance. In July 2022 IPAM asked the Bank's management to draw up a Management Action Plan (MAP) based on these recommendations. In August 2022 the draft MAP was shared with the requesters for their comments. After considering the comments, management confirmed the final version of the MAP in October 2022. The report has been submitted for consideration by the Board.



Cultural heritage site in Georgia

2018/09 MHP Corporate Support Loan, MHP Biogas

Case status: Open

Location: Ukraine

Complainant(s): Community members from the villages of Olyanyatsa, Zaozerne and Kleban in Vinnytsia Oblast

Confidentiality: Yes

Date of receipt: 5 June 2018

Functions: Problem solving and compliance

Project name: MHP Corporate Support Loan (47806); MHP Biogas (49301)

Client: Myronivsky Hliboproduct PJSC (MHP)

Approval date: 28 October 2015/13 December 2017

Status: Completed/Repayment

Environmental category: B

This case concerns impacts caused by the agribusiness activities of one of the Bank's long-term clients in Ukraine. The case was first considered by the problem-solving function, but owing to a lack of agreement, it was transferred to the compliance function in late 2021. Owing to the Russian war on Ukraine, in February 2022 IPAM decided to suspend the processing of the case. However, after consulting with the representative of the requesters in April 2022, who confirmed that they still had an interest in having their concerns considered, IPAM reopened the proceedings. In October 2022 IPAM issued a Compliance Assessment Report concluding that the case merited further investigation. The case is currently under compliance review.

2018/03 Shuakhevi HPP

Case status: Open

Location: Georgia

Complainant(s): Green Alternative and CEE Bankwatch Network

Confidentiality: No

Date of receipt: 16 July 2018

Function: Compliance

Project name: Shuakhevi HPP (45335)

Client: Adjaristsqali Georgia LLC

Approval date: 30 April 2014

Status: Repaying

Environmental category: A

The case was the last case in compliance to be dealt with under the Project Complaint Mechanism procedure, which meant that it was led by an independent expert. It concerns the impacts of construction of a hydropower plant in Georgia. In 2022 the compliance review was finalised, with the expert identifying some non-compliance, particularly regarding geology, water resources and biodiversity. The Bank's management drew up a Management Action Plan (MAP) to respond to the report, which was approved by the Board in September 2022. The case has since been transferred to the MAP monitoring phase.

2018/01 Kozloduy International Decommissioning Support Fund

Case status: Open

Location: Bulgaria

Complainant(s): 30 civil-society representatives from Craiova, Romania and Bulgaria, represented initially by Lucian Sauleanu, President of ARC NGO Craiova, and since May 2018 by Luminita Simoiu of the Civic Association for Life

Confidentiality: No

Date of receipt: 9 February 2018

Functions: Problem solving and compliance

Project name: Kozloduy International Decommissioning Support Fund

Client: Bulgarian State Enterprise Radioactive Waste

Approval date: 13 August 2013

Status: Ongoing

Environmental category: A

The case has been with PCM and then IPAM since 2018. It concerns the potential impacts of a proposed surface repository for radioactive waste, Radiana, located near the Danube River in Bulgaria. The case went to problem solving in 2018, but in July 2022 IPAM decided to bring that process to an end, given the lack of progress made. Although the client, SERAW, had shared with requesters relevant information and documents on the project, its potential environmental impacts and the mitigation plan, the requesters still felt that their concerns had not been addressed and asked IPAM to consider the case under the compliance function. The case is currently at the compliance assessment stage and will be given fuller consideration if the need for a full compliance review is determined.

IPAM team



From left to right: Paolo Fioretti (Senior Counsel on secondment from the Office of the General Counsel), Sushma Kotagiri (Effectiveness Engagement and Learning Lead), Victoria Márquez Mees (Chief Accountability Officer), Kinga Jaromin (Compliance Associate), Niall Watson (Compliance Lead), Olga Vasiliev (Problem Solving Lead) and Giorgio Napoli (Analyst). *Missing from the picture is Gina Llewelyn, the CAO's assistant, who was away on leave.

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The Independent Project Accountability Mechanism (IPAM) of the European Bank for Reconstruction and Development (EBRD) reports directly to the Board of Directors and is independent from the Bank's Management. This independence ensures that all relevant stakeholders are certain of IPAM's fair and objective treatment of cases.

This report has been prepared by IPAM under the authority of the Chief Accountability Officer as required by the provisions in the Project Accountability Policy. The views expressed herein do not necessarily reflect those of the EBRD's Management or Board of Directors. The IPAM Annual Report is submitted to the Board of Directors and the President for information and disseminated to the public as soon as possible thereafter through the IPAM section of ebrd.com.

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