



## IPAM MAP MONITORING PLAN Case 2019/01 Shuakhevi HPP

### 1. Background

In July 2018, the Project Complaint Mechanism (PCM) received a Complaint from civil society organisations Green Alternative and CEE Bankwatch Network relating to the Shuakhevi HPP (45335) project. The PCM conducted a Compliance Review following allegations of non-compliance with the 2008 EBRD Environmental and Social Policy (ESP). The external PCM CR Expert identified non-compliance across three (3) ESP Performance Requirements, and provided eight (8) Project-level and systemic recommendations to address said non-compliance.

In accordance with para. 45 and 46 of the 2014 PCM Rules of Procedure, EBRD Management prepared a Management Action Plan (MAP) to respond to the Expert's findings and recommendations. Management sought Audit Committee endorsement of the draft MAP on 22 September 2022, where it was deemed that the Plan sufficiently addressed the findings and recommendations of the Compliance Review. The Board approved the Plan on 29 September 2022.

### 2. IPAM Monitoring Approach

After the completion of Compliance Review, the monitoring of the MAP will be conducted under IPAM procedures. In accordance with Section III, Paragraphs 2.7 and 2.8 of the Project Accountability Policy (PAP),<sup>1</sup> IPAM will monitor the implementation of the approved MAP in the context of the findings of non-compliance identified in the Compliance Review Report. The proposed MAP stated that the PCM Expert's recommendations have been either already addressed through actions taken by the Management at the later stages in the project cycle or were not suitable to be addressed in the proposed form. Nevertheless, the Management committed to actions to address five (5) of the eight (8) recommendations that IPAM will monitor.

As per paragraph 2.8 (b) of the PAP, the MAP will be deemed implemented once it fulfils the following criteria:

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<sup>1</sup> As per the 2019 PAP, Independent Project Accountability Mechanism (IPAM) will monitor the implementation of any MAP produced to implement the recommendations to address findings of non-compliance once approved by the Board in accordance with Section III, Paragraphs 2.7 and 2.8 of the PAP.

- i. The implementation plans and commitments set out thereunder are being effectively carried out; and
- ii. Implementation timetables are being met.

Monitoring activities will include review of documentation and Management progress reports, and consultation with Requesters and other relevant stakeholders. If deemed necessary, IPAM will also hire experts and undertake project site visits.

Monitoring by IPAM is scheduled to fit the commitments made by Management and involves periodic engagement with the relevant teams. IPAM will issue Monitoring Reports at least bi-annually until all actions are completed.

IPAM Monitoring Reports will focus on action items that the MAP had committed to completing in the monitoring period covered by the specific report. Actions will be deemed effectively completed when the action is completed to the satisfaction of IPAM and within the committed timeframe.

During the monitoring period, Management will keep IPAM informed on progress. As meeting the timeframes is one of the criteria set in the PAP to declare completion, IPAM will require Management to provide early notice of any involuntary delays in implementation of the proposed MAP and the reasons for it.

If Management does not provide a rationale for the delay or the process continuously shows lack of progress, IPAM will report the action as not completed but will still require Management to implement the action.

### 3. IPAM Monitoring Plan

The table below presents the monitoring plan proposed by IPAM for the five actions contained in the draft Management Action Plan. The second column presents a summary of each of the proposed actions.

**Table 1. IPAM Monitoring Plan**

Action No.	IPAM Monitoring Requirement and EBRD Management Commitment and Proposed Deadline for Completion	IPAM Proposed Monitoring Activity	IPAM monitoring activity due date	IPAM Requirement for determining completion in addition to meeting timeframe
1.	<b>Recommendation 1</b> In order to enhance compliance with PR 1, specifically in relation to identification of a project's area of influence, the Bank should ensure that project sponsors and the Bank have an agreed common and clear understanding of a project's area of influence, including changes in the area of influence, especially in projects that have a large ecological footprint.			
	<b>Management response</b> No further action proposed as Management considers the recommendation has been fully incorporated in the most recent version of the ESP, particularly PR1 and PR10 and associated Guidance Notes. A PR1 guidance note has been drafted which clearly stipulates the project definition, associated facilities and the physical scope of projects to be assessed.			
	a) Finalisation and disclosure of the PR1 Guidance Note	Review the PR1 Guidance note and check if it is disclosed	December 2022	PR1 Guidance Note finalised and disclosed
2.	<b>Recommendation 5</b> In connection with the Project, the Bank should work with AGL to compile a definitive list of Project-affected communities, including how the Project affects each such community. The Bank should take particular care to obtain input from affected communities, including women and other vulnerable members of those communities.			
	<b>Management response</b> An updated SEP, addressing the recommendations of the PCM has been disclosed for the operational phase of the project and is being regularly monitored, reviewed, and updated whenever required. The project will continue in monitoring phase for the life of the EBRD's involvement and this aspect will be included in periodic reviews.			
	a) The referred updated SEP is publically available in both English and Georgian	Check if the updated SEP is publically available in English and Georgian	December 2022	Confirmed that updated SEP is publically available in English and Georgian

Action No.	IPAM Monitoring Requirement and EBRD Management Commitment and Proposed Deadline for Completion	IPAM Proposed Monitoring Activity	IPAM monitoring activity due date	IPAM Requirement for determining completion in addition to meeting timeframe
	b) The document addresses the recommendations made	Review the SEP to check if it addresses the recommendations of the CRR	December 2022	SEP reviewed by IPAM which concluded that it addressed the recommendations of the CRR
	c) The SEP is being implemented during the operational phase	Request update from the Management on how the SEP is being implemented, what activities have taken place and what stakeholders are included	Bi-annually, starting in December 2022 and completing in December 2025 <sup>2</sup>	Update provided and its summary disclosed in the IPAM monitoring report  Local stakeholders confirm participation
3.	<p><b>Recommendation 6</b> In connection with the Project, the Bank should work with AGL (the Client) to ensure public access to the results of geological testing (without disclosing legally protected confidential information), including slake durability tests, and to document actions taken by AGL to address the result of such tests.</p> <p><b>Management response</b> During project monitoring, EBRD will work with the client to issue a non-technical position paper on historical rock testing methods although this remains out of scope of the ESP and is therefore beyond compliance with EBRD's policies. However, EBRD will request that the client make available any rock testing data to project affected people should it be requested.</p>			
	a) The non-technical position paper on historical rock testing methods is made publically available in English and Georgian	Confirm if the position paper is available publically in English and Georgian	June 2023	The position paper is available publically in English and Georgian
	b) Project-affected people are informed of the possibility of requesting rock testing data	Request from Management evidence that Project-affected people have been informed about the possibility of requesting rock testing data	June 2023	Notices and messages to local stakeholders provide information about possibility and process of requesting the data

<sup>2</sup> Taking into consideration the concerns raised against the Project and the Project status, which is currently in repayment, IPAM found that the ongoing actions merit monitoring in the medium term up to the end of 2025. As prescribed by provision I) iii) of the para. 3.1. of the 2019 Project Accountability Policy, in conducting the monitoring, IPAM "will take into account the termination of the relationship with the Client when considering whether the Management Action Plan or Problem Solving agreement has been implemented, in accordance with the criteria identified in Paragraphs 2.5 and 2.8".

Action No.	IPAM Monitoring Requirement and EBRD Management Commitment and Proposed Deadline for Completion	IPAM Proposed Monitoring Activity	IPAM monitoring activity due date	IPAM Requirement for determining completion in addition to meeting timeframe
4.	<b>Recommendation 7</b> The Bank should work with AGL to arrange a thorough hydro-geological review (or to augment existing reviews) that includes gathering historical information regarding water availability and use, as well as proper validation of inferences and conclusions based on physical analysis, not confined to desktop analysis.  <b>Management response</b> No further action proposed although this issue will continue to be monitored for the lifetime of the EBRD loan to ensure there is no change in the situation.			
	a) Management to provide IPAM with updates on water availability monitoring findings	Request update from the Management on water availability monitoring findings	Bi-annually, starting in December 2022 and completing in December 2025	Update provided and its summary disclosed in the IPAM monitoring report
	b) Management to provide IPAM with updates on water availability complaints raised in the grievance mechanism	Request update from the Management on water availability complaints raised in the grievance mechanism	Bi-annually, starting in December 2022 and completing in December 2025	Update provided and its summary disclosed in the IPAM monitoring report
5.	<b>Recommendation 8</b> In connection with the Project, the Bank should work with AGL to establish a protocol for systematic biodiversity monitoring and reporting, including timelines and content requirements, which enables AGL, the Bank and other interested parties to determine during all phases of the Project whether the Project is achieving no net loss of biodiversity.  <b>Management response</b> Since the issue of the complaint and the visit by the Compliance Review expert and Operations BAP (O-BAP) has been completed and disclosed, which includes all of the items in this recommendation and confirms NNL of biodiversity. The effectiveness of the O-BAP will be subject to ongoing monitoring of the project by EBRD and the lenders E&S consultant, no further action proposed, however, future evolutions of the O-BAP will be disclosed by the company as is good practice.			
	a) O-BAP is publically available in both English and Georgian;	Confirm if the O-BAP is available publically in English and Georgian	December 2022	O-BAP is available publically in English and Georgian
	b) Implementation updates of the O-BAP are provided to IPAM for inclusion in monitoring reports	Request update from the Management on implementation of O-BAP	Bi-annually, starting in December 2022 and completing in December 2025	Update provided and its summary disclosed in the IPAM monitoring report