

From: Dugan Khad Travel [REDACTED]

Sent: 31 March 2022 09:38

To: IPAM - Independent Project Accountability Mechanism <ipam@ebrd.com>

Subject: Due to EBRD's lack of accountability and management failure on Ulaanbaatar Darkhan road project: about 40 people died and hundreds of families and businesses go bankrupt

Due to EBRD's lack of accountability and management failure on Ulaanbaatar Darkhan road project: about 40 people died and hundreds of families and businesses go bankrupt

The project called ULAANBAATAR DARKHAN ROAD extension construction being implemented with EBRD financing, first signed on 18th of June 2019 and planned to finish the same year. Project number is 50766. The aim of the loan is the expansion of a 202 km road from Ulaanbaatar to Darkhan City, the country's second-largest city. This road is important artery of the Mongolian road network and only economic corridor of China-Mongolia-Russia. The project's goal was to increase the road capacity for domestic and international journeys and improve road safety. But the project has not completed even today and lots of lives and businesses are suffering from incomplete road.

We are the biggest travel company in Tuv province located in between Ulaanbaatar and Darkhan city road on 108km. Only from Ulaanbaatar city to our resort in 108km, there are 30 tourist camps, 6 livestock farms, 6 restaurants, 1 zoo, more than 100 agricultural companies and thousands of households located through the road.

The condition of the existing road in 2019 was good with only required few pothole filling, but without prior notice on August 2019, suddenly the rehabilitation of the road including removal of existing paved road started. Until that day we run the business normally. From that month, we lose our 70% of our income and we continue lose our income in 2020, 2021 by 90%.

We had made 1 million \$ investment on our resort in 2018 with bank loan and when we had just started pay back the loan to the bank. Unfortunately, the road to our resort is destroyed and we had no way to pay back the loan for last three years. Now our accumulated bank interest is 100,000\$ and loan itself 1 million\$. Based on income we earned in year 2018, we lost 200 million\$ every year since then. We are nearly bankrupt. We had sold everything we had. Even our resort is on sale now but no one is interested to buy with this bad road condition. We are in tourism sector for last 23 years but we have never faced such big failure that does not depend on us.

EBRD is not working on the social and environmental impact of this project or failure to analyze distractions have made to our community. EBRD is complying its own policy of commitment to promoting 'environmentally sound and sustainable development'. It says that bank believes that environmental and social sustainability is a fundamental aspect of achieving outcomes consistent with its transition mandate and recognizes that projects that foster environmental and social sustainability rank among the highest priorities of its activities.

We have made lot of complaints and requested the certain information from the ministry of road and transport development of Mongolia. But no one is in charge of this uncertain situation and even today the officials have no idea about completion of this project's time.

Tourist season is starting soon but we are still in uncertain condition that when we will have this road completed and when we will welcome the guest again.

Please take responsibility on this project and compensate us by whoever is in charge
Let us just live normally please

Regards

Dugan khad travel LLC

Branch manager [REDACTED]

Tel; [REDACTED]

mobile; [REDACTED]

Submit your Request

NOTE: The original complaint was completed with information provided through the electronic complaint form available in the IPAM website. Due to technical issues, the form was not readable so IPAM has produced a verbatim copy of the of the request for disclosure purposes.

The European Bank for Reconstruction and Development (EBRD)'s Independent Project Accountability Mechanism (IPAM) reviews **environmental, social or transparency** issues raised by individuals or organisations concerning Bank-financed projects which they believe to have caused, or likely cause, harm.

If your concern is related to:

- **Fraud, corruption or ethics**, please submit your complaint to the [Office of the Chief Compliance Officer](#) responsible for these issues, at whistleblowing@ebrd.com.
- An EBRD **procurement process** that you participated in, please submit your complaint to the Procurement Policy and Advisory Department responsible for these issues at ProcurementComplaint@ebrd.com.

Step 1: Required Information

This information is mandatory for IPAM to review and consider your request.

1. Who is submitting this Request? Please provide your name(s) or the name of your organisation.

Dugan Khad Travel LLC

2. IPAM is committed to protecting your identity, if you fear reprisals. Do you want your name(s) (or the name of your organisation) to be kept **confidential throughout this process**? Why do you require confidentiality?

No

Note. IPAM will share the concerns raised in your request with Bank staff and the Client, but your name and other details that would identify you will not be shared. *

3. Do you fear you or other risk retaliation for sharing your concerns with IPAM? Please provide details. (Let us know if this information should be treated confidentially.)

No

4. Country MONGOLIA

5. Please provide your contact information

a. Telephone number

b. Mobile number

c. Email address

d. Mailing address

e. Fax number

How can we best contact you?

Mobile number _____

6. Please name or describe the **EBRD Project(s)** that raises concerns. If you don't know the Project name, you can include details like the name of the company in charge of the Project, its location, or the activities it involves that are affecting you.

Ulaanbaatar Darkhan road 204 Km Project number is 50766

7. What harm do you believe has been caused, or might be caused, by the Project? Please include details.

Due to EBRD's lack of accountability and management failure on Ulaanbaatar Darkhan road project: about 40 people died and hundreds of families and businesses go bankrupt. EBRD is not working on the social and environmental impact of this project or failure to analyse distractions have made to our community. EBRD is not complying its own policy of commitment to promoting 'environmentally sound and sustainable development'.

8a. Are you directly or personally affected by the Project? Yes_____

8b. Are you submitting this Request as a Representative of a person or group affected by the Project? _____

8c. Are you submitting this Request as an Organisation that is not directly or personally affected by the Project? No _____
Please describe your efforts to engage with Project-affected people on the issues you are raising. _____
What feedback did Project-affected people give you about the Project impacts? _____
What has prevented Project-affected people from submitting this Request? _____

9. Have you ever **contacted the EBRD** or the **EBRD Client** to try to raise and voice your concerns? Yes _____

Note. **IPAM** is a 'tool of last resort' so, unless there is fear of retaliation, before submitting a Request to IPAM, you should first voice your concerns:

- with **EBRD staff** by sending your concerns to cso@ebrd.com, or
- with the **EBRD Client** that is responsible for the Project.

I contacted to the EBRD's office in Ulaanbaatar, Mongolia. They told me they would call me back but never give a call. 3rd Floor, MCS Plaza, Seoul Street 4A, Ulaanbaatar, Mongolia - 011317974

We did not receive any response back.

I have sent all materials by email

Note: All supporting documentation must be sent via email to IPAM (ipam@ebrd.com).

Step 2: Additional Information if available:

10. What do you hope to achieve through the IPAM process?
Our resort located on this road cannot run because of this road construction even today from 2019, so we want compensation for who is in charge of the management failure of this project.

11. IPAM has two paths for reviewing your concerns.

Path 1 – Problem Solving: IPAM can act as a neutral third Party to help find mutually-satisfactory resolutions through flexible, consensus-based problem solving approaches.

Path 2 – Compliance Review: IPAM engages with Project-affected people, Bank staff, Clients and others to determine whether the Bank has met the provisions of its [Environmental and Social Policy](#) and/or [Access to Information Policy](#). The Compliance function only deals with compliance of the Bank, not that of the Client.

At this point, and subject to obtaining more information, what would be your preference?

- a) I am interested in the Problem Solving option.
- b) I am interested in the Compliance Review option.
- c) I am interested in both the Problem Solving and Compliance Review options.

Both the Problem Solving and Compliance Review

12. Please list the Policy requirements you believe the EBRD has not met on this Project if you are familiar with the [Environmental and Social Policy](#) or [Access to Information Policy](#).

EBRD is not working on the social and environmental impact of this project or failure to analyse distractions have made to our community. EBRD is complying its own policy of commitment to promoting 'environmentally sound and sustainable development'. It says that bank believes that environmental and social sustainability is a fundamental aspect of achieving outcomes consistent with its transition mandate and recognises that projects that foster environmental and social sustainability rank among the highest priorities of its activities.

13. Have you submitted any complaints to other organisations in relation to the concerns raised in your Request?

We have made written and oral complaints to Ministry of road and transport but we have never received a response back. Also made call to this person but he does not know about anything.



www.mrtd.gov.mn

MINISTRY OF ROADS AND TRANSPORT DEVELOPMENT Government Building
13, Chinggis Avenue 11, Sukhbaatar District 8, Ulaanbaatar, 14251, Mongolia

14. Any other information you consider relevant:

Not only our business goes bankrupt also 30 tourist camps, 6 livestock farms, 6 restaurants, 1 zoo, more than 100 agricultural companies and thousands of households located through the road are badly impacted of this this project.

Please send the completed form to IPAM along with supporting documents.
(Email: ipam@ebrd.com).