From: IPAM - Independent Project Accountability Mechanism

To:

Cc: IPAM - Independent Project Accountability Mechanism

Subject: Confirmation of receipt by IPAM

**Date:** 07 May 2023 19:01:41

# Request details

1. Who is submitting this Request?

Eko forum Zenica

- 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?

  No
- a. Why do you require confidentiality?
- 3. Do you fear risk of retaliation for sharing your concerns with IPAM? No
- a. Please provide details. Let us know if this information should be treated confidentially.
- 4. Country

BOSNIA AND HERZEGOVINA

- 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?

email

6. Please name or describe the EBRD Project(s) that raises concerns.

EBRD funded project no. 49253 "Toplana Zenica d.o.o." for Combined Heat & Power Plant (CHP)

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

The Combined Heat & Power Plant (CHP) uses the fuel produced at the facility which is non-compliant with the Best Available Techniques (BAT) Reference Document for Iron and Steel Production 2013 (EUR 25521 EN). EBRD's client, ArcelorMittal Zenica, refuses to use the BAT "5.3.13. Emission reduction during coke pushing", applicable for both new and existing plants, claiming that they cannot realize it technically, although this solution is already operational at the plants owned by ArcelorMittal in Belgium, Italy, and France. The coking plant produces coke gas (main fuel for CHP) with a considerable amount of harmful substances such as hydrogen sulphide, tar, benzene, toluene, xylene, ammonia, etc. These harmful substances can be gaseous (benzene and other VOC - Volatile Organic Compounds) or can be found in dust particles (benzo(a)pyrene and other PAH - Polycyclic Aromatic Hydrocarbons). Hourly benzene concentrations registered in the surrounding of the coke ovens in March/April 2022 were on average 18 times higher than the target value for the protection of human health. Daily average concentrations of benzo(a)pyrene in dust are on average 12 times higher than

the target value for the protection of human health, and the highest measured value was even 58 times higher than the target value.

8. Are you directly and personally affected by the Project?

Yes

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

No

Requester name(s)

Requester email address(es)

Requester phone number(s)

Requester mailing address(es)

b. Are you submitting this Request as an Organisation that is not directly or personally affected by the Project?

No

- i. Are there people living, working or using the land in the Project Area?
- a. Please describe your efforts to engage with Project-affected people on the issues you are raising.
- b. What feedback did Project-affected people give you about the Project impacts?
- c. 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

a. What was the name of the person(s) or department that you contacted? We contacted at the EBRD Sarajevo Resident Office

b. Please describe the efforts you made to raise your concerns with EBRD staff or the Client. How and when did you contact them?

We have sent our Questions regarding EBRD funded project no. 49253 in 22nd November 2022 by email.

c. What response did you receive from the EBRD or the Client when you tried to raise your concerns?

We received response from the EBRD Civil Society Engagement on 18th January 2023. They claimed that EBRD does not have a contractual relationship with ArcelorMittal Zenica and hence no mechanism to enforce potential investment in the coking plant. However, the loan was granted on 14.11.2018, and the new joint-venture company "Toplana Zenica" was registered on 23.1.2019. So, the loan contract could not be signed by the new company (which is co-owned 50% by ArcelorMittal), but to ArcelorMittal Zenica.

Reason why you have not contacted the Client or EBRD

## 10. What do you hope to achieve through the IPAM process?

We want ArcelorMittal Zenica to minimize the fugitive and uncontrolled emissions of VOC and PAH from their coking plant, which is the main fuel source for the CHP, in accordance with the Best Available Techniques (BAT) Reference Document for Iron and Steel Production 2013 (EUR 25521 EN) and Best available techniques (BAT) conclusions for large combustion plants (C/2017/5225).

11. IPAM has two paths for reviewing your concerns.

#### 12. Please list the Policy requirements you believe the EBRD has not met on this Project.

The EBRD rightly recognised in its Project Summary Document that the heating plant cannot be separated from the rest of the ArcelorMittal steelmaking complex: 'An independent consultant was retained to undertake the ESDD of the Project and associated facilities including the Arcelor Mittal Zenica (AMZ) steel plant.' It also promised that the project would 'comply with National and EU environmental standards (such as BAT Conclusion Notes) and the Project is structured to meet the Bank's Performance Requirements (Prs)... The new technology will enable to attain EU standards and is part of a road map of attaining EU standards by AMZ.'

EBRD wrote in Environmental and Social Summary for project no. 49253 that 'The Bank has provided financing to AMZ in the past and the Company has a good record of Project implementation and reporting.' We want to remind you about the EBRD's EUR 25 million loan no. 36116 granted to ArcelorMittal in 2005 for energy efficiency and environmental improvements. Some items from the Environmental Action Plan (EAP) were supposed to be implemented between 2009-2011, but they never happened: improving waste storage facilities, separating industrial and sanitary waste waters, investigation on soil and groundwater contamination. This surely cannot be considered as 'a good record of Project implementation'.

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

We actively participated in environmental permitting process for both the CHP "Toplana" and ArcelorMittal Zenica. The process was administered by the Ministry for Environment and Tourism of the Federation of Bosnia and Herzegovina. Our complaints were rejected in both cases, as ArcelorMittal Zenica refused to comply with our requests.

### 14. Any other information you consider relevant?

As this is a complex issue, we would like to visit your office in London (on our expense) to clarify all the details and to explain our concerns and requests.

Attn: Chief Accountability Officer, Victoria Marquez-Mees

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