

POLICY

Project Accountability Policy

21 January 2019

(draft for public consultation)

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The draft Project Accountability Policy is open for public consultation until 6 March 2019. During the consultation, PCM will be seeking the views of PCM complainants, civil society, EBRD shareholders, donors, clients, industry and business organisations, trade unions, other Multilateral Development Banks and International Financial Institutions, academia, other EBRD stakeholders, and the public in general on the draft Policy. Public comments will be responded to, and summarised in the “Report on the Invitation to the Public to Comment” that will be presented to the EBRD Board of Directors together with the final draft of the Project Accountability Policy in Q2 of 2019.

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POLICY

Project Accountability Policy

Section I: Purpose

EBRD is committed to promoting sustainable development in all of its investments, as a key contributor to economic transition. To ensure that the environmental and social practices of Bank Projects meet its standards, EBRD requires that Projects comply with its Environmental and Social Policy. Moreover, the Bank is required to disclose certain Project information to the public in accordance with its Access to Information Policy.

The Independent Project Accountability Mechanism (IPAM) of EBRD further affirms these commitments. IPAM provides an opportunity for an independent review of issue(s) raised by individual(s) or organisation(s) concerning a Bank-financed Project, which is believed to have caused, or to be likely to cause, harm. The purpose of the mechanism is to facilitate the resolution of social, environmental and public disclosure issues among Project stakeholders; to determine whether the Bank has complied with the Environmental and Social Policy and the Project-specific provisions of the Access to Information Policy; and where applicable, to address existing non-compliance, while preventing future non-compliance by the Bank with these policies.

The mechanism is organised as an independent function, governed outside the Bank's investment operations (*i.e.*, outside of Bank management), with a direct reporting line to the Board of Directors through its Audit Committee.

This Policy supersedes the 2014 Project Complaint Mechanism (PCM) Rules of Procedure.

Section II: Definitions

Terms used in this Policy have the following meanings:

Access to Information Policy	the EBRD's Access to Information Policy (2019) or an earlier version of the EBRD's policy on access to information in force at the time the Project was approved by the Board or, if the Board has delegated the approval authority, by Bank management; <i>[To include link]</i>
Annual Report	the annual report prepared by IPAM in accordance with Section VIII of this Policy;
Assessment Report	the assessment report prepared by IPAM in accordance with Section III, Paragraph 2.10 of this Policy;
Audit Committee	the Audit Committee of the Board;
Bank (or EBRD)	the European Bank for Reconstruction and Development;

Board	the Board of Directors of the Bank;
Business Day	a working day on which the Bank is open for business in London and its regional offices;
Case (or Casework)	the consideration of a Request under this Policy following its registration;
Case Registry	the registry of Cases created in accordance with Section III, Paragraph 3.3 of this Policy which can be found on the IPAM website; <i>[To include link]</i>
Client	the individual(s) and/or the entity(ies) that is(are) responsible for the implementation of a Project;
Compliance Assessment Report	the compliance assessment report set out in Section III, Paragraph 2.23 of this Policy;
Compliance Review Report	the compliance review report set out in Section III, Paragraph 2.27 of this Policy;
Environmental and Social Policy	the [EBRD's Environmental and Social Policy (2019)] or an earlier environmental and social policy in force at the time of Project approval;
IPAM	the independent project accountability mechanism established under this Policy;
[IPAM Head] <i>[final title to be determined in consultation with EBRD Human Resources]</i>	the head of IPAM, responsible for the running of IPAM, the implementation of this Policy and for making the decisions that are the responsibility of IPAM under this Policy;
Management Action Plan	the management action plan set out in Section III, Paragraph 2.28 of this Policy;
Monitoring Report	the monitoring report prepared by IPAM in accordance with Section III, Paragraph 2.34 or 2.19 of this Policy;
Organisation	any entity, association or group representing specific interests of a community or civil society. Organisations include community-based organisations, civil society organisations, non-governmental organisations, business associations and trade unions, and do not include political organisations;
Parties	the individuals, entities and the Organisations that are directly involved in a Case. Parties may include (but are not limited to) a Requester, any Representative, the Bank, a Client and other Project financiers;

PCM Rules of Procedure	the 2014 Project Complaint Mechanism Rules of Procedure; <i>[To include link]</i>
Problem Solving Report	the problem solving report prepared by IPAM in accordance with Section III, Paragraph 2.14 of this Policy;
Procurement Rules	the procurement rules of the Bank as set out in its Corporate Procurement Policy dated 8 November 2017, related Directive as well as any applicable procedures as amended from time to time;
President	the President of the Bank;
Project	the set of works, goods, services and/or business activities defined in the financing agreements and for which EBRD financing is sought by a client, and as approved by the Board or, if the Board has delegated the approval authority, by Bank management; <i>[Definitions to be aligned with PIP and ESD]</i>
Request	the request submitted by a Requester to IPAM under this Policy;
Requester	the individual(s) or Organisation(s), as the case may be, submitting a Request;
Representative	any individual(s) or Organisation(s), representing a Requester under this Policy.

Section III: Scope

1. FUNCTIONS AND GOVERNANCE

- 1.1** IPAM has two complementary, non-judicial and non-adversarial functions:
- a) The Problem Solving function, which has the objective of supporting dialogue between Requesters and Clients to resolve the environmental, social and public disclosure issues underlying a Request, without attributing blame or fault. IPAM engages with Project-affected people, Clients, and other stakeholders as a neutral third party, in order to help find mutually-satisfactory resolutions through flexible, consensus-based problem-solving approaches.
 - b) The Compliance function, which has the objective of determining whether EBRD has complied with the Environmental and Social Policy or the Project-specific provisions of the Access to Information Policy in respect of an approved Project. IPAM engages with Project-affected people, Bank staff, Clients and other stakeholders in order to determine whether the Bank, through its actions or inactions, has failed to comply with any provision of the Environmental and Social Policy (including any provision requiring the Bank to monitor Client commitments) or the Project-specific provisions of the Access to Information Policy. If EBRD is found to be non-compliant, additional objectives of the Compliance function are to propose Project-specific and procedural adjustments to Bank practices, which

address existing non-compliance, prevent future non-compliance and promote institutional learning and capacity building.

IPAM carries out these functions while guided by principles of:

- i) *Independence and Impartiality*: gaining confidence from all Parties through IPAM's independence from Bank management and its fair and objective treatment of all Case stakeholders;
- ii) *Transparency*: keeping Parties informed about Case progress, the mechanism's activities, and the types of outcomes available through IPAM;
- iii) *Predictability*: offering clear, consistent processes and procedures;
- iv) *Equitability*: working to ensure that all Parties have reasonable access to the information necessary to engage in IPAM processes on fair and informed terms, while respecting appropriate confidentiality requirements; and
- v) *Accessibility*: being known to individuals and groups that could use the mechanism; working to ease barriers to access, and working to operate in a culturally-appropriate, gender-responsive manner.

1.2 IPAM also has a mandate to conduct outreach among internal and external stakeholders to ensure that its purpose, functions and activities are known and understood. Detailed provisions relating to this outreach function are set out in Paragraph 3.12 and following below.

1.3 Accountability at EBRD is a Bank-wide effort, incorporating multiple and interconnected roles and responsibilities for IPAM, the Board and Bank management. The IPAM Head leads the implementation of the Bank's project accountability mandate under this Policy as described in Paragraph 3.18 below.

1.4 IPAM operates independently, with a direct reporting line to the Board. The roles and responsibilities of the Audit Committee (or of any future Board committee to which the Board delegates this oversight function) with respect to IPAM are reflected in the terms of reference for that committee. Provisions relating to the operation of IPAM are set out in Paragraph 3.18 and following below.

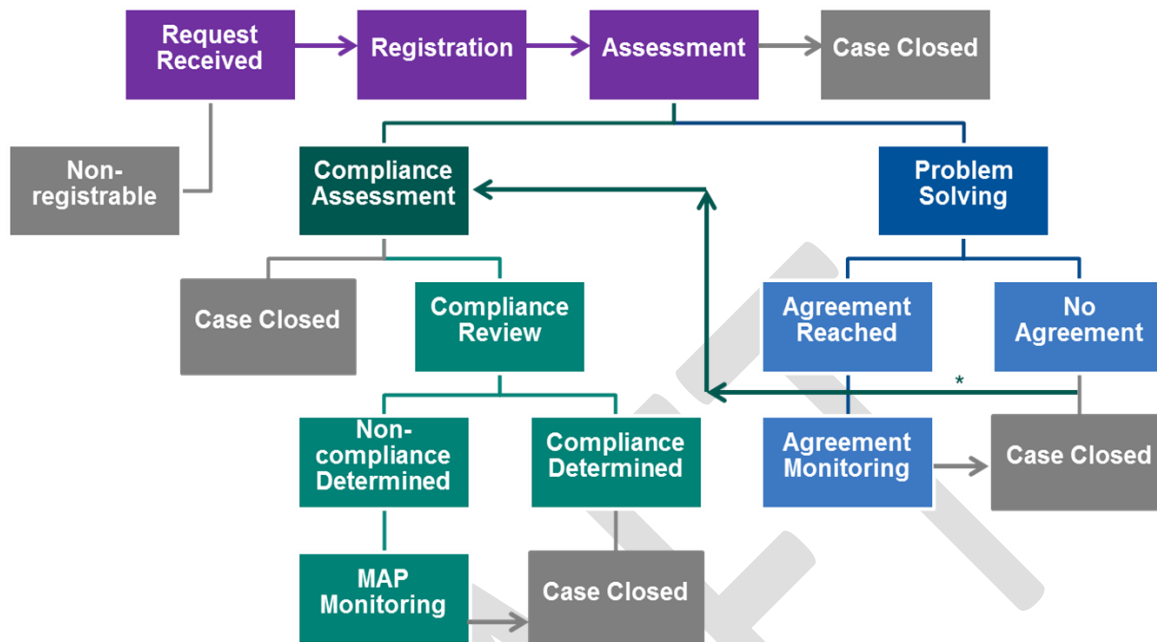
2. PROCESS FOR HANDLING CASES

2.1 The IPAM Case handling process may encompass up to seven stages (Figure 1):

- i Registration;
- ii Assessment;
- iii Problem Solving,
- iv followed by Problem Solving Agreement Monitoring, if applicable; and/or
- v Compliance Assessment,
- vi followed by a Compliance Review and Management Action Plan Monitoring, if applicable (see Figure 1).

The objectives, criteria, approaches, reporting deliverables and possible outcomes for each stage are detailed below. The provisions of Paragraph 2 below describe how IPAM performs these functions in its Case handling process.

Figure 1: IPAM Case Handling Process Flow Chart



* Potential exists to transfer a Request to a Compliance Assessment if considered necessary by Requesters.

i) Registration

2.2 Objective. The submission of a Request will initiate the screening process described in this Paragraph 2.2 and following. The purpose of the Registration stage is to screen a Request to confirm if it warrants registration with the mechanism and, therefore, an Assessment of the Request under Paragraph 2.8.

2.3 Criteria. A Request will be registered if:

- a) It identifies the Requesters.
 - i) A Requester may be one or more individual(s) or Organisations(s) believed to be, or to be likely to be, affected by the Project.
 - a. Although IPAM cannot accept anonymous Requests, the mechanism is committed to protecting Requesters' identities if it is expressly asked for. Requesters may ask that the identity of some or all of the individuals listed in the Request be kept confidential. The request for confidentiality and the associated rationale must be submitted with the Request. Confidentiality will be considered by IPAM as soon as possible following receipt of the Request and, in any event, prior to IPAM's decision regarding the Registration of the Request. If, however, IPAM reasonably believes that maintaining confidentiality will prevent a review of the Request, then the IPAM Head will immediately notify the Requesters. The IPAM Head and the Requesters will

- either agree on how to proceed or, if agreement on how to proceed is not possible, the IPAM Head may terminate the process; or
- ii) A Requester may also be an Organisation that is not alleged to be directly affected by the Project, where seeking a Compliance Review. The IPAM Head will consider this Request for registration having taken into account the circumstances of the Request, if it includes satisfactory information on:
- a. the efforts made by the Requesters to engage Project-affected people on the issues of concern;
 - b. the feedback received from Project-affected people in relation to the Request;
 - c. the reasons preventing Project-affected people from being a Requester; and
 - d. the reasons justifying the submission of the Request by a Requester to whom the Project is not believed to have caused, or to be likely to cause, harm.
- b) **Representatives.** It identifies a Representative, if any. If individual(s) filing a Request have used a Representative to assist them in submitting the Request, the Representative must provide written proof (such as a signed letter by the Requesters) of the Representative's authority to act on behalf of the Requesters in relation to the Request. The Requesters must indicate whether they wish their Representative to act as the point of contact for all formal communications between IPAM and the Requesters. However, IPAM may communicate directly with the Requesters as necessary.
- c) It includes contact information for the Requesters and their Representative, if any (including a residential or mailing address and to the extent possible, a telephone number, email address and/or a fax number).
- d) It indicates the name of the Project or a description that is sufficient to identify the Project.
- e) It describes the harm which the Project is believed to have caused, or to be likely to cause to i) the Requesters or, ii) if the Request is submitted by an Organisation that is not alleged to be directly affected by the Project, the harm which the Project is believed to have caused, or to be likely to cause to the relevant Project-affected people.
- f) It raises issues deemed by the IPAM Head to relate to specific obligations of the Bank under the Environmental and Social Policy or the Project-specific obligations of the Bank under the Access to Information Policy.
- g) It describes i) the good faith efforts the Requesters have taken to address the issues raised in the Request, including with the Bank and/or the Client, and a description of the results of those efforts, or ii) an explanation of why such efforts were not possible. The IPAM Head may waive the requirement for good faith efforts to have been undertaken if they deem that such efforts

would be futile or harmful to the Requesters or, if applicable, to the relevant Project-affected people.

- h) If the Requesters did not make good faith efforts to address the issues with the Bank and/or the Client and did not provide an explanation of why such efforts were not possible, the IPAM Head may suspend the registration of the Request and, in consultation with the Requester, forward the Request to the relevant department in the Bank to address the issues raised. When good faith efforts have subsequently been made, the suspension may be lifted and the Request may be registered if such efforts, in the opinion of the IPAM Head, have not yielded positive results.
- i) It relates to a Project that the Bank has approved and it is filed before the Bank ceases to have a financial interest in the Project as a result of full repayment, prepayment, disposal or otherwise. If a Request relates to operations that have not yet been approved, IPAM will inform Bank management and notify the Requesters and the Board via the Audit Committee accordingly. During Project preparation, Bank management will take the Request into account and inform the IPAM Head in writing of how the Requester's concern is being addressed.

2.4 Scope and Exclusions. A Request will not be registered if it does not satisfy the requirements of Paragraph 2.3 or if:

- a) It relates solely to: the adequacy or suitability of the Environmental and Social Policy or the Project-specific provisions of the Access to Information Policy, the Agreement Establishing the Bank, or non-operational issues such as internal administration or human resource decisions or activities.
- b) It relates to the responsibilities, commitments or actions of any third party, rather than to issues that are under the control of the Client or the Bank.
- c) It relates to matters in respect of which a Request has already been processed by IPAM or its predecessors (the Project Complaint Mechanism or the Independent Recourse Mechanism), the accountability mechanism of a co-financing institution, or finally decided by a judicial or non-judicial dispute resolution body or mechanism in respect of the same Project, unless the IPAM Head otherwise determines, or unless new evidence or circumstances not known at the time of the previous Request are submitted.
- d) It relates to matters pending before any of the bodies or mechanisms referred to in subparagraph c) above, in which case - unless the IPAM Head otherwise determines - consideration of the Request will be suspended until a final decision on the matter is reached.
- e) It has been filed fraudulently, frivolously or maliciously to seek to gain competitive or other advantage, or address a commercial dispute.

- f) It raises solely allegations of fraud, corruption, ethics, integrity or procurement-related issues (in which case the Request will be redirected to the appropriate office within the Bank).

2.5 Approach. IPAM will analyse a Request for registration by considering the contents of the Request, any supporting documentation included with the Request, any publicly available information, and/or any other Project-specific or relevant information provided by Bank management or the Requesters.

2.6 Suspension of a Request. If IPAM is unable to register a Request because it fails to meet one or more of the criteria set out in Paragraph 2.3, and, in the opinion of IPAM, it is possible for the Requesters to remedy this failure, IPAM will so notify the Requesters or their Representative, if any. IPAM will then suspend the Registration decision and allow the Requesters a reasonable opportunity to correct the failure and resubmit the Request, as described in Paragraph 3.10 below.

2.7 Outcome. IPAM will register a Request if it meets the criteria set out in Paragraph 2.3 and does not fall within any of the exclusions set out in Paragraph 2.4. IPAM will notify the Requesters, Bank management and the Client of its decision. If a Request is registered, IPAM will publish it on the Case Registry.

Following Registration, IPAM will close the Case if it becomes evident at any stage of the consideration of a Request that the criteria set out in Paragraph 2.3 are no longer met or that any of the exclusions set out in Paragraph 2.4 apply.

ii) **Assessment**

2.8 Objective. The Registration of a Request will initiate the Assessment process described in this Paragraph 2.8 and following. The purpose of this stage is to:

- a) develop a clear understanding of the issues raised in a Request;
- b) discuss the Problem Solving and Compliance functions, their scope and possible outcomes with the Parties;
- c) assess the Parties' willingness to engage in each function; and
- d) determine if the Case will proceed to Problem Solving, will be transferred to a Compliance Assessment, or be closed.

2.9 Approach. IPAM will assess the Case by considering the contents of the Request, any supporting documentation included with the Request, any publicly available information and any Project-specific or relevant information provided by Bank management, the Client and/or the Requesters, by engaging with the Requesters and other Project-affected people, Bank management, the Client and other relevant stakeholders and, if deemed necessary by the IPAM Head, by visiting the Project area.

2.10 Outcome and Reporting. Upon completion of the Assessment stage, IPAM will issue an Assessment Report describing the outcome of the Assessment process and:

- a) submit it to the Board and the President for information, if it recommends proceeding further, or

- b) submit it to the Board for approval to close the Case on a no objection basis, if it recommends closing the Case.

In each circumstance, IPAM will make the Assessment Report available to the Requesters, Bank management and the Client and publish it on the Case Registry.

iii) **Problem Solving**

2.11 Objective. The purpose of the Problem Solving stage is to:

- a) support dialogue between the Parties;
- b) pursue resolutions acceptable to all Parties that address the issues raised in a Request; and
- c) facilitate the conclusion of agreements between the Parties.

2.12 Approach. Consistent with the objective of promoting the resolution of issues between the Parties, IPAM will:

- a) take into account all circumstances of the Case (including the nature of the issues raised, its urgency, and the reasonable likelihood of success), with a view to identifying the most appropriate approach to problem solving. Each approach will be chosen in consultation with the Parties and may include: facilitated dialogue, mediation, conciliation, information sharing, joint fact-finding or supported negotiation;
- b) if deemed necessary by the IPAM Head, engage external consultants in accordance with the Procurement Rules to support and facilitate the dialogue process; and
- c) not support agreements that would be contrary to EBRD policies or in breach of any applicable law.

2.13 Termination. The Problem Solving process may be terminated at any time:

- a) by IPAM, if in the IPAM Head's view - following consultation with the Parties - the Problem Solving is no longer likely to lead to a positive outcome and/or if the Problem Solving process has ceased to constitute an efficient use of resources, in which case IPAM will notify all Parties in writing; or
- b) by any Party; Problem Solving is a voluntary process, and Requesters and Clients may withdraw from it at any time.

2.14 Reporting. Upon completion of the Problem Solving stage, IPAM will:

- a) prepare a draft Problem Solving Report presenting the outcome of the process and circulate it for information to all Parties. If deemed necessary by the Parties due to confidentiality constraints, only a Problem Solving summary may be produced;
- b) submit the final Problem Solving Report or, if applicable, the final Problem Solving summary to the Board and the President for information;
- c) make the final Problem Solving Report or summary available the Parties; and

- d) publish the Problem Solving Report, or the summary, if confidentiality constraints would prevent the publication of a full Problem Solving Report on the Case Registry.

2.15 Outcome. IPAM will:

- a) if an agreement is reached, monitor the implementation of the commitments of the Parties thereunder in accordance with Paragraphs 2.16 and following; or
- b) if no agreement is reached or if an early termination has occurred under Paragraph 2.13, close the Case; or
- c) in either case, if asked for by the Requester, transfer the Case to a Compliance Assessment in accordance with Paragraphs 2.20 and following.

iv) **Problem Solving Monitoring**

2.16 Objective. IPAM will monitor the implementation of any agreements reached by the Parties through Problem Solving.

2.17 Criteria. Problem Solving agreements will be considered implemented if they fulfil the following criteria:

- a) the commitments made by the Parties set out thereunder are being effectively carried out; and
- b) implementation timetables are being met.

2.18 Approach. In its monitoring activities, IPAM may:

- a) consult with the Requesters, the Client, Bank management and other relevant stakeholders;
- b) consider Project documentation, documentation submitted by the Requesters and their Representative, if any and publicly available information;
- c) if deemed necessary by the IPAM Head, visit the Project site; and
- d) if deemed necessary by the IPAM Head, seek opinions on specific technical matters by engaging consultants, such engagement to be conducted in accordance with the Procurement Rules.

2.19 Monitoring Reporting. IPAM will issue Monitoring Reports at least bi-annually to:

- a) describe IPAM's ongoing monitoring activities in respect of each open Case; and
- b) provide updates on the status of each Problem Solving agreement implementation, until the IPAM Head determines that full implementation of the relevant Problem Solving agreement has been achieved.

IPAM will submit draft Monitoring Reports to the Parties for comment and consider any such comments in the finalisation of Monitoring Reports.

Monitoring Reports will be submitted to the Board and the President for information, made available to the Requesters, Bank management and the Client, and published on the Case Registry.

Monitored Cases will be closed once the IPAM Head determines that that full implementation of the relevant Problem Solving agreement has been achieved.

v) **Compliance Assessment**

2.20 Objective. The purpose of the Compliance Assessment stage is to assess whether a Request is eligible for Compliance Review.

2.21 Criteria. A Case is eligible for Compliance Review if:

- a) upon a preliminary consideration, it appears that the Project may have caused or may be likely to cause direct and material harm to the Requesters (or, if different, the relevant Project-affected people);
- b) there is an indication that the Bank may not have complied with a provision of the Environmental and Social Policy, including any provision requiring the Bank to monitor Client commitments or the Project-specific provisions of the Access to Information Policy, in force at the time of Project approval;
- c) the Request relates to more than a minor technical violation of the Environmental and Social Policy or the Project-specific provisions of the Access to Information Policy, unless such technical violation is alleged to have caused direct and material harm, provided that at any time during the Compliance Assessment, Bank management may decide to agree that certain criteria are satisfied in order to expedite the determination of eligibility.

2.22 Approach. IPAM will appraise the Case by considering the documentation and the information collected during the Assessment stage as well as of any new Project-specific and publicly available information. During this stage, IPAM will also:

- a) discuss with the Requesters, Bank management, the Client and other relevant stakeholders;
- b) consider Bank management's written response to the Request, illustrating the steps taken by the Bank to ensure its compliance with the Environmental and Social Policy or the Access to Information Policy; and
- c) invite the Client to submit to IPAM written responses to the Request.

2.23 Outcome and Reporting. Upon completion of the Compliance Assessment stage, IPAM will prepare a Compliance Assessment Report with its findings and:

- a) submit it to the Board and the President for information, if it recommends proceeding to a Compliance Review, having determined that the criteria set out in Paragraph 2.21 are met, together with binding terms of reference for such Compliance Review prepared on the basis of the issues raised in the Request and setting out the scope, the methods, the type of expertise required to carry out the Review, as applicable, and other guiding principles for the

Compliance Review. To the extent possible, IPAM will consult with the Parties in the drafting of the terms of reference, or

- b) submit it to the Board for approval on a no objection basis, if it recommends closing the Case, having determined that the criteria set out in Paragraph 2.21 are not met.

In each case, IPAM will make the Compliance Assessment Report available to the Requesters, Bank management and the Client and publish it on the Case Registry.

vi) **Compliance Review**

2.24 Objective. The purpose of the Compliance Review stage is to determine whether the Bank, through its actions or inactions, has failed to comply with the Environmental and Social Policy or the Project-specific provisions of the Access to Information Policy in respect of an approved Project and, in the affirmative, to recommend remedial changes related to the actions or omissions of the Bank in accordance with this Paragraph 2.24 and following. If EBRD is found to be non-compliant, the objectives of this stage are to:

- a) recommend Project-specific actions to bring the Bank into compliance in respect of the Project and address the harm or potential harm associated with the findings of non-compliance;
- b) recommend adjustments to EBRD practices, procedures, guidance or systems, to be implemented in an effort to avoid future situations of non-compliance; and
- c) promote institutional learning and capacity building.

2.25 Criteria. The Bank will be considered to be non-compliant if it is determined by the IPAM Head that, through its actions or inactions, the Bank has failed to comply with any provision of the Environmental and Social Policy (including any provision requiring the Bank to monitor Client commitments), or the Project-specific provisions of the Access to Information Policy. The Compliance Review does not assess the compliance of the Client; it assesses the compliance of the Bank with the Environmental and Social Policy and the Project-specific provisions of the Access to Information Policy.

2.26 Approach. During the Compliance Review, IPAM will process the Case on the basis of the terms of reference referred to in Paragraph 2.23. IPAM will consider the documentation and the information collected during previous stages, as well as any new Project-specific and publicly available information. During this stage, IPAM will also:

- a) discuss with the Requesters, Bank management, the Client and other relevant stakeholders;
- b) if deemed necessary by the IPAM Head, visit the Project site; and/or
- c) if deemed necessary by the IPAM Head, seek opinions on specific technical matters by engaging consultants, such engagement to be conducted in accordance with the Procurement Rules.

2.27 Compliance Review Report. Upon completion of the Compliance Review stage, IPAM will prepare a Compliance Review Report with its findings. If the IPAM

Head: (a) finds the Bank to be compliant, they will submit the Compliance Review Report to the Parties, the Board and the President for information and close the Case; or (b) finds the Bank to be non-compliant with the Environmental and Social Policy or the Project-specific provisions of the Access to Information Policy, they will ensure that the draft Compliance Review Report identifies the specific actions (or inactions) by the Bank that have led to the conclusion of non-compliance and include recommendations related to the actions or omissions of the Bank to address the findings of non-compliance:

- a) in the scope or implementation of the Project, taking into account prior commitments of the Bank in relation to the Project, provided that the award of compensation to the Requesters or, if applicable, to Project-affected people may not be recommended; and
- b) at the levels of the Bank systems or procedures, in relation to the Environmental and Social Policy or the Project-specific provisions of the Access to Information Policy, to avoid future non-compliance in similar Projects or situations, as well as recommendations regarding monitoring and reporting on the implementation of any recommended changes (i.e., nature and frequency of Bank monitoring and reporting requirements).

2.28 Management Action Plan and Response to the Findings. If the Bank is found to be non-compliant with the Environmental and Social Policy or the Project-specific provisions of the Access to Information Policy, IPAM will send the draft Compliance Review Report to Bank management. Bank management will prepare a Management Action Plan in response. Management Action Plans will identify:

- a) project-specific actions to be carried out by the Bank to bring the Project into compliance and to address the harm or potential harm associated with the findings of non-compliance, in accordance with the recommendations of the Compliance Review Report;
- b) proposed adjustments to EBRD practices, procedures, guidance or systems, to be implemented in an effort to avoid future non-compliance in similar Projects or situations, in accordance with the recommendations of the Compliance Review Report;
- c) an implementation plan and timetable to be followed to fulfil the commitments in the Management Action Plan; and
- d) an estimate of the human and financial resources required to implement the Management Action Plan.

Bank management may also, if it deems it appropriate, prepare a management response to address the findings or recommendations of the Compliance Review Report.

2.29 Consultation on the Draft Compliance Review Report and Management Action Plan. IPAM will consult on the draft Compliance Review Report and Management Action Plan as follows:

- a) IPAM will send the draft Compliance Review Report to the Parties for review and comment, updating it as appropriate;
- b) if the IPAM Head finds the Bank to be non-compliant,

- i) IPAM will send the updated draft Compliance Review Report to Bank management for preparation of the Management Action Plan;
- ii) upon receipt of the Management Action Plan (and the Management response to the Compliance Review Report, if any), IPAM will send the updated draft Compliance Review Report to Requesters (and their Representatives, if any) for information and the Management Action Plan for comment.
- iii) following receipt of comments on the Management Action Plan from the Requesters and their Representative, if any, IPAM will finalise the Compliance Review Report, having taken into consideration: the contents of the Management Action Plan; Bank management's response to the Compliance Review Report (if applicable) and any comments by the Requesters and their Representatives, if any, on the Management Action Plan, provided that IPAM may adjust the Compliance Review Report text and recommendations, but not its findings in the finalisation of the Compliance Review Report.

2.30 Submission and Circulation of Compliance Review Reports and Management Action Plans. IPAM will submit the Compliance Review Report, the Management Action Plan, any Requesters' comments on the Management Action Plan, and any Bank management response to the Compliance Review Report, to the President and the Board. The Compliance Review Report, any Bank management response to the Compliance Review Report and any Requesters' comments on the Management Action Plan will be submitted to the Board for information, while the Management Action Plan will be submitted to the Board for decision. It will be the Board's decision to accept or reject the Management Action Plan in its entirety, based on their determination as to whether the Management Action Plan adequately addresses the findings and recommendations of the Compliance Review Report. If the Board rejects the Management Action Plan, it will be returned to Bank management for revision and will be re-submitted to the Board for approval.

In each case, IPAM will make available the final Compliance Review Reports (and where applicable, management responses, approved Management Action Plans and Requesters' comments on the Management Action Plan) to the Requesters, the Client and Bank management, and publish them on the Case Registry.

vii) **Management Action Plan Monitoring**

2.31 Objective. IPAM will monitor the implementation of Management Action Plans approved by the Board.

2.32 Criteria. Management Action Plans will be considered implemented if they fulfil the following criteria:

- a) the implementation plans and commitments set out thereunder are being effectively carried out; and
- b) implementation timetables are being met.

2.33 Approach. In its monitoring activities, IPAM may:

- a) consult with the Requesters, the Client, Bank management and other relevant stakeholders;
- b) consider Project documentation, documentation submitted by the Requesters and their Representative, if any and publicly available information;
- c) consider the contents of the monitoring updates received from Bank management. Bank management will be required to update IPAM on the implementation status of each approved Management Action Plan, at least bi-annually;
- d) if deemed necessary by the IPAM Head, visit the Project site; or
- e) if deemed necessary by the IPAM Head, seek opinions on specific technical matters by engaging consultants in accordance with the Procurement Rules.

2.34 Monitoring Reporting. IPAM will issue Monitoring Reports at least bi-annually to:

- a) describe IPAM's ongoing monitoring activities in respect of each open Case; and
- b) provide updates on the status of each Management Action Plan implementation until the IPAM Head determines that full implementation of the Management Action Plan has been achieved.

Monitoring Reports will be submitted to the Board and the President for information, made available to the Requesters, Bank management and the Client and published on the Case Registry.

Monitored Cases will be closed once the IPAM Head determines that full implementation of the Management Action Plan has been achieved.

3. OTHER PROVISIONS

General Provisions for Case Handling

3.1 Related Requests. If two or more Requests are received from the same Requesters or from different Requesters in relation to the same Project and the substance of the Requests is reasonably related, the IPAM Head will notify the Requesters and may require that:

- a) the Requests be examined together; or
- b) the examination of the later Request(s) be suspended until the examination of the first Request has been completed.

3.2 Loss of Financial Interest. If the Bank ceases to hold a financial interest in the relevant Project during Casework as a result of full repayment, prepayment, disposal or otherwise, IPAM will continue to:

- a) during a Compliance Assessment or Compliance Review, assess the Bank's compliance under Paragraphs 2.20 through 2.30. However, the IPAM Head

may determine if the circumstances would render the Compliance Assessment and/or the Compliance Review futile, in which case IPAM will close the Case and notify all Parties in writing; or

- b) during Management Action Plan Monitoring or Problem Solving Agreement Monitoring, monitor the Management Action Plan or Problem Solving Agreement under Paragraphs 2.6 and following and 2.31 and following. However, the IPAM Head 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 2.17 and 2.32.

- 3.3 Case Registry.** IPAM will maintain a Case Registry on its website, which will provide internal and external stakeholders with up-to-date information on the nature and status of each registered Request. All reports produced as part of a Case will be published on the Case Registry.

IPAM's reports and Case Registry will indicate where information has not been published due to confidentiality considerations.

- 3.4 Access to Information.** In connection with a Case, IPAM staff will have full access to relevant Bank staff and Project files, including electronic files, and have access to cabinets and other storage facilities.

Bank management and consultants engaged by Bank management will be required to fully cooperate with IPAM staff.

IPAM staff and any consultants engaged by IPAM shall protect the confidentiality of all documents and information not in the public domain. A confidential document, or information based on that document, shall not be discussed with third parties or released by them without the express written consent of the party who has provided such document and/or the Bank.

- 3.5 Contractual Obligations.** Financing agreements between the Bank and the Clients will include requirements for the Clients to disclose Project-related information to IPAM in connection with a Case, upon reasonable request by the Bank and subject to any applicable laws and regulations.

- 3.6 Approach to Casework.** IPAM will endeavour to:

- a) carry out Casework as promptly as possible without compromising the thoroughness of each Case's consideration, and
- b) minimise disruption to the daily operations of all Parties while recognising the importance of taking into account the views of the Requesters, Bank management, Clients, and other stakeholders.

- 3.7 Conflicts of Interest.** An IPAM staff member or a consultant engaged by IPAM who has a conflict of interest in relation to a Case will be required to inform the IPAM Head immediately and withdraw from the Case.

If the IPAM Head has a conflict of interest in relation to a Case, they will immediately inform the Board, withdraw from the Case and assign an IPAM staff member to perform their duties in relation to that Case.

3.8 Effect of Requests on Bank Projects and Emergency Measures. The Registration of a Request will not, on its own, have the effect of suspending the Bank's interest in the Project.

However, if at any time during the processing of a Request, the IPAM Head believes that serious and irreparable harm will be caused by the Bank's continued processing of the Project or disbursements in respect of the Project, the IPAM Head may make an interim recommendation for remedial actions by the Bank, including a suspension of further Bank processing of the Project or the suspension of disbursements.

The decision on the recommendation will be made by the Board or any other competent EBRD body to which the Board has delegated the authority to approve the Project. The Board, or any other competent EBRD body to which the Board has delegated the authority to approve the Project, must consider whether the Bank has the right, having taken into account applicable laws and regulations as well as existing contractual arrangements, to take any such recommended action. The IPAM Head's recommendations and the final decision will be published on the Case Registry.

3.9 Cooperation with Other Independent Accountability Mechanisms. If the Project at issue in a registered Request is subject to co-financing by other institutions, IPAM may notify the accountability mechanisms of the co-financing institution(s) of the Registration of the Request and may collaborate with that/those mechanisms in a manner that is consistent with this Policy, to ensure that Cases are handled efficiently, cost-effectively and to avoid excessive disruptions or disturbances to Parties. Where appropriate, IPAM may establish written cooperation agreements with the accountability mechanism of the co-financing institution(s) addressing such issues as confidentiality and the sharing of information.

3.10 Timing. IPAM will endeavour to adhere to the timelines below following the receipt of a Request. The processing of Cases where English is not the working language will require additional response time due to the need for translation. The number of Business Days identified for each stage of a Case handling process excludes Business Days required to procure and receive any necessary translations. IPAM will notify the Requesters or their Representative, if any, in a timely manner, of any delays required for translation.

Purpose	Key Activities
Request Receipt	<ul style="list-style-type: none"> <li data-bbox="563 1850 1412 1917">• Acknowledgement of receipt of the Request: as soon as possible, and within 10 Business Days of receipt.
Registration	<ul style="list-style-type: none"> <li data-bbox="563 1962 1412 2020">• Determination on Registration: within 21 Business Days of the date of the Request's acknowledgement.

	<ul style="list-style-type: none"> ○ If additional information is needed from the Requesters for IPAM to make a decision on Request Registration, the Requesters will be granted 15 Business Days from the date of the request to provide the necessary information. ○ If a Request is suspended (and forwarded to the relevant department in the Bank to address the issues raised without registering the Request under Paragraph 2.3 (g)), Bank management will have 45 Business Days to make good faith efforts to address the environmental, social and public disclosure issues raised in the Request before IPAM considers lifting the suspension.
Assessment	<ul style="list-style-type: none"> • Completion of an Assessment and submission of the Assessment Report to the Board via the Audit Committee: within 60 Business Days of the Registration of the Request.
Problem Solving	<ul style="list-style-type: none"> • Problem Solving: may vary in duration, according to the nature, complexity, and scope of the issues and other factors. The Problem Solving schedule is decided jointly by the Requesters, the Client and other Parties. Problem Solving is expected to be completed within one (1) year of the Parties' agreement to pursue it; however the duration of the process may be extended by agreement of the Parties and IPAM. • Requesters, Clients and other parties to the Problem Solving will have 10 Business Days from the date of IPAM circulation of the draft Problem Solving Report or Problem Solving Summary to confirm if it may be published or provide comments in relation to confidentiality constraints.
Compliance Assessment	<ul style="list-style-type: none"> • Where IPAM recommends closing the Case, completion of the Compliance Assessment and submission of the Compliance Assessment Report to the Board via the Audit Committee: within 60 Business Days of the initiation of the Compliance Assessment by IPAM. • Where IPAM recommends proceeding to a Compliance Review: circulation of the terms of reference to the Parties within 60 Business Days of the initiation of the Compliance Assessment by IPAM. <ul style="list-style-type: none"> ○ Bank management will have 21 Business Days from the date of IPAM's request to submit a written response to the Request. ○ Requesters, Bank management and Clients will have 10 Business Days from the date of IPAM circulation to comment on the draft terms of reference for the Compliance Review.
Compliance Review	<ul style="list-style-type: none"> • Completion of the draft Compliance Review Report: within 140 Business Days of the publication of the Compliance Assessment Report. <ul style="list-style-type: none"> ○ Parties will have 10 Business Days from the date of IPAM circulation to comment on the draft Compliance Review

	<p>Report.</p> <ul style="list-style-type: none"> • If applicable following Compliance Review findings of non-compliance: <ul style="list-style-type: none"> ○ Bank management will have 30 Business Days from the date of receipt of the draft Compliance Review Report to submit the Management Action Plan (and if applicable, the Bank management response). If special circumstances require more time, a request together with an explanation must be submitted to IPAM for consideration. ○ Requesters will have 20 Business Days from the date of IPAM circulation to comment on the Management Action Plan.
Monitoring	<ul style="list-style-type: none"> • Issuance of Monitoring Reports: at least bi-annually until the IPAM Head determines that full implementation of the relevant Problem Solving agreement or the Management Action Plan has been achieved. <ul style="list-style-type: none"> ○ Bank management will have 10 Business Days from the date of IPAM's request to submit monitoring updates on a Management Action Plan that will be made at least bi-annually. ○ Parties will have 10 Business Days from the date of IPAM circulation to comment on draft Monitoring Reports on a Management Action Plan or a Problem Solving Agreement.

3.11 Time Extensions. In exceptional cases, a time period referred to in this Policy may be extended by IPAM for as long as is strictly necessary to ensure full and proper processing of Requests and/or Cases. IPAM will promptly notify the Requesters, Bank management, Clients and other relevant parties of any extensions, and will note the extension on the Case Registry. The extensions should be time-bound, and if they need to be further renewed, all Parties will be informed. In considering whether an extension is required, IPAM will take into account factors including (but not limited to) the location of the Project site, the need for Bank management, the Requesters, the Client and other relevant Parties to participate in the process, any time-sensitive issues relating to the Project, the availability of IPAM staff, the need for translation or other accessibility / accommodation considerations under Paragraph 3.13, 3.15 and the consideration of related Requests under Paragraph 3.1.

Outreach and Training

3.12 Outreach Mandate. IPAM's ability to fulfil its mandate is dependent on its ability to effectively engage with key stakeholders. IPAM has a mandate to conduct outreach among both internal and external stakeholders, in order to ensure that this Policy and IPAM's purpose, functions and activities are known and understood. Outreach efforts will also include cooperation with other institutions' accountability mechanisms as appropriate.

3.13 Reducing Barriers to Access. IPAM seeks to be responsive to constraints impeding stakeholders' ability to access IPAM, engage in Cases, or participate in outreach initiatives. IPAM will endeavour to engage with vulnerable people or groups in the EBRD territories or countries of operation and to advance stakeholder access efficiently and cost-effectively.

3.14 Accessibility through Engagement Materials. IPAM will develop, publish and distribute a range of engagement materials to enhance internal and external stakeholders' understanding of IPAM's mandate, policies, functions and activities. IPAM will maintain an interactive website through which it disseminates information and materials related to its work. IPAM will encourage staff members at its headquarters and in regional offices to integrate IPAM information into other Bank activities and publications. Bank staff members will be encouraged to support IPAM's efforts to publicize its mandate and functions.

3.15 Accessibility through Language. IPAM aims for effective disclosure of its Casework, outreach activities and reports among both internal and external stakeholders. Although English is the working language of IPAM, the availability of reports and materials in relevant local languages is needed to create and maintain access to IPAM. If English is not spoken by a Party during Casework or a stakeholder in the context of outreach activities, IPAM will endeavour to offer communications in the relevant local language through translation and interpretation services. To reduce language-related barriers to access:

- a) a Request may be submitted in any official language of an EBRD country of operation or territory, or in any of the official languages of EBRD (i.e., English, Russian, French or German);
- b) IPAM's correspondence with Requesters or their Representative, if any, will be in English and the language of the Request.
- c) case-related meetings and outreach events will offer interpretation services in relevant local languages upon request and if considered necessary;
- d) case-related IPAM reports will be translated into the language of the Request if the Requesters do not speak English; and
- e) outreach materials will be made available in English, Russian and Arabic and will be translated into the official languages of the EBRD countries of operation or territories on a progressive basis, and additional languages if considered necessary.¹

3.16 Training. IPAM shall provide training and familiarisation services to Bank staff and key external stakeholders with regard to the implementation of this Policy. Training initiatives will be tailored to learning needs as identified through direct feedback and Casework experience.

3.17 Institutional Learning. In order to promote institutional learning, IPAM may share lessons learned and offer guidance to Bank management based on the insights, experiences and evidence emerging from its Casework. IPAM feedback seeks to identify common challenges and promote a culture of continuous learning

¹ In case of any discrepancy between the text of an English-language document and that of correspondence or a document in a different language, the English version will prevail.

at EBRD. Such information will be shared as an adequate body of work becomes available for systemic capture.

IPAM will share lessons learned with Bank management if all of the following criteria are met:

- a) such lessons learned relate directly to IPAM's mandate to resolve problems or ascertain EBRD's compliance with the Environmental and Social Policy or the Project-specific provisions of the Access to Information Policy; and
- b) such lessons learned address significant or material issues or trends identifiable through IPAM Casework.

Institutional learning initiatives may be carried out at the discretion of the IPAM Head, who will inform Bank management accordingly, including the Audit and Evaluation departments. IPAM may disclose key learnings and associated recommendations in the Annual Report as described in Section VIII. Workshops and other engagement methods may also be used to share IPAM learnings and recommendations with Bank management.

Institutional and Administrative Provisions

IPAM Head

3.18 Responsibilities of the IPAM Head. The IPAM Head is responsible for the running of IPAM, the implementation of this Policy and for making the decisions that are the responsibility of IPAM under this Policy. The IPAM Head is directly accountable to the Board and they are not part of, and do not report to, Bank management.

3.19 Pre-Employment Conditions of the IPAM Head. The IPAM Head must not have worked for EBRD in any capacity (*i.e.*, as operational staff, as a Director, Alternate Director or Director's Advisor) for at least 5 years before their appointment as IPAM Head. EBRD consultants will be ineligible to act as the IPAM Head until at least 3 years have passed from the end of their contract with EBRD.

3.20 Selection and Appointment of the IPAM Head. The IPAM Head is selected by a Selection Committee of six members, both internal and external to the Bank, consisting of the Chair and Vice Chair of the Audit Committee, two members of Bank management and two external stakeholders with expertise in the accountability and social or environmental fields; demonstrated integrity and independence; the ability to interact effectively with Parties and civil society; and experience with the operations of the Bank or similar institutions. The Selection Committee is chaired by the Chair of the Audit Committee, and EBRD Human Resources will handle all administrative processes. Human Resources will appoint a suitable executive search firm, in consultation with the Selection Committee, to conduct an extensive search and prepare a list of candidates. Subsequently, the Selection Committee will review the shortlist of candidates, conduct a technical screening of the candidates, interview the candidates and proposes a candidate by majority vote. After completion of the selection procedure, the Selection Committee will make a recommendation to the President for the engagement of the

IPAM Head. Before the end of the selection process, a hearing of the proposed candidate will be organized before the Audit Committee. The President will then consult with the Board in an Executive Session before making a formal recommendation to the Board for its approval.

3.21 Term of Appointment of the IPAM Head. The IPAM Head is appointed for an initial term of up to four years which may be extended once, with any such extension being up to four years. At the end of their term(s), or after removal, the IPAM Head is ineligible to perform remunerated services for EBRD.

3.22 Compensation of the IPAM Head. The Audit Committee will review the compensation package to be offered to the IPAM Head, and provide its recommendation concerning these aspects to the President. The IPAM Head is not entitled to performance based compensation.

The same annual salary adjustment that is approved by the Board for the Vice Presidents will apply to the salary of the IPAM Head, unless the Board decides otherwise. The Audit Committee Chair, in consultation with the Vice-Chair will conduct an annual performance review of the IPAM Head, which should be completed in the same timeframe as appraisals for Bank staff.

3.23 Removal of the IPAM Head. During the IPAM Head's term, any decision to remove them for cause is subject to approval by the Board. Such a decision is made on the basis of a report prepared by the Audit Committee, to be transmitted by the President to the Board. In the transmittal document, the President may express their disagreement with the course of action recommended by the Audit Committee. The IPAM Head may only be removed on the same grounds that staff members can be terminated for cause. A decision taken by the Board of Directors for the removal of the IPAM Head shall be deemed an administrative decision, subject to recourse directly before the EBRD Administrative Tribunal in accordance with the Appeals Procedures and Rules of Procedure.

3.24 Renewal of the IPAM Head. At least six months before the end of their first term, the IPAM Head will inform the Board, in writing, whether they are interested in seeking a second term. If so, the President will consult with the Board in an Executive Session, and thereafter, will send a recommendation to the Board for its approval. If the IPAM Head is not interested in a renewal, or if the renewal is not approved, the vacancy will be advertised and the selection process will be initiated.

3.25 Budget. The IPAM Head shall prepare an annual budget (including any contingency funds) identifying a sufficient level of resources to ensure that IPAM can carry out all of the roles, responsibilities, and activities set out in this Policy in an effective way. The IPAM Head will be responsible for determining the allocation of resources.

The IPAM budget will be submitted to the Board for approval on a non-objection basis, in the same timeframe as the Bank's general budget but as a separate decision.

- 3.26 IPAM Staff.** The IPAM Head manages IPAM staff, to which the Bank's Human Resources policies and procedures apply. The IPAM Head is free to make recruitment decisions within the limits of the approved budget, without Bank management or Board involvement. The salaries of IPAM staff are determined by the IPAM Head in consultation with the Bank's Human Resources department. Salary increases are based on the Bank's policies and procedures for other Bank staff.
- 3.27 Legal Support.** The Office of the General Counsel will, upon request, advise IPAM and the Board on matters concerning EBRD's legal status, rights and obligations under the Agreement Establishing the Bank and the interpretation and implementation of the Bank's policies and procedures regarding the Project at issue in a Request. The Office of the General Counsel will also advise IPAM and the Board on other procedural matters related to EBRD's rights and obligations with respect to any Request and to any Cases that are being reviewed under this Policy. The Office of the General Counsel will facilitate IPAM's access to specialist legal advice on the laws and regulations of the relevant EBRD territories or countries of operation as necessary.
- 3.28 Additional technical expertise.** IPAM may engage consultants to advise on technical matters. Any such consultant shall be selected and engaged in accordance with the Procurement Rules and will report to the IPAM Head.
- 3.29 Engagement with Management.** Management will invite the IPAM Head to observe or contribute to management meetings where this may enhance communication and understanding of issues of common concern.
- 3.30 Reporting.** The IPAM Head will make quarterly presentations to the Audit Committee. Additional briefings will be available to the Board upon request.

Section IV: Waivers, Exceptions and Disclosure

Waivers

The Board may grant a deviation from a requirement of this Policy that is not explicitly permitted by the terms of this Policy.

Exceptions

Not applicable.

Disclosure

This Policy will be disclosed on the Bank's website within five Business Days of its approval.

Section V: Transitional Provisions

This Policy will apply to Cases where a Request was submitted to and/or registered by IPAM following the date on which this Policy becomes effective in accordance with Section VI.

Cases outstanding on such date will be subject to the following rules:

- a) **Ongoing Eligibility Assessments:** determinations in relation to ongoing Eligibility Assessments (as defined in the PCM Rules of Procedure) will be made by the IPAM Head, rather than the PCM's co-Eligibility Assessors (*i.e.*, the PCM Officer and the assigned PCM Expert, each as defined in the PCM Rules of Procedure).
- b) **Ongoing Problem-solving Initiatives:** PCM Experts (permanent or ad hoc, under and as defined in the PCM Rules of Procedure) assigned as PCM Problem-solving Experts will continue their activity as facilitators, however reporting to the IPAM Head.
- c) **Ongoing Compliance Reviews:** The IPAM Head will, in their discretion, determine whether a Compliance Review commenced but not yet completed under the PCM Rules of Procedure will be completed by the assigned PCM Expert or whether they will be subject to the provisions of this Policy, taking into account, *inter alia*, the extent of the Review already carried out (and its duration) and whether the PCM Expert has already reached any conclusion. Any such determination, and the reasons for it, will be published on the Case Registry.

Section VI: Effective Date

This Policy is effective upon appointment of the first IPAM Head in accordance with Paragraph 3.20.

Section VII: Decision Making Framework

The IPAM Head is accountable for this Policy.

The IPAM Head is responsible for this Policy.

Section VIII: Review and Reporting

This Policy shall be reviewed in 2024.

IPAM will prepare an Annual Report which shall describe registered Requests, Case outcomes, completed outreach initiatives and institutional learnings from the preceding year. Annual Reports will be submitted to the Board and the President for information, and then disseminated to the public as soon as possible thereafter through the IPAM website.

Section IX: Related Documents

1. EBRD's Environmental and Social Policy (2019)
2. EBRD'S Access to Information Policy (2019)