

COMPLAINTS: EPS Restructuring and EPS Kolubara Environmental Improvement Projects

REQUESTS NUMBER: 2017/03 and 2017/04

Problem-solving Initiative Monitoring Report I – July 2018

The Project Complaint Mechanism (PCM) is the independent accountability mechanism of the EBRD. PCM provides an opportunity for an independent review of Complaints from one or more individual(s) or organisation(s) concerning an EBRD project, which allegedly has caused, or is likely to cause harm. PCM may address Complaints through two functions: Compliance Review, which seeks to determine whether or not the EBRD has complied with its Environmental and Social Policy and/or the project-specific provisions of the Public Information Policy; and Problem-solving, which has the objective of restoring a dialogue between the Complainant and the Client to resolve the issue(s) underlying a Complaint without attributing blame or fault. Affected parties can request one or both of these functions.

For more information about PCM, contact us or visit www.ebrd.com.

Contact information

Inquiries should be addressed to:

The Project Complaint Mechanism (PCM)
European Bank for Reconstruction and Development
One Exchange Square
London EC2A 2JN
Telephone: +44 (0)20 7338 6000
Fax: +44 (0)20 7338 7633
Email: pcm@ebrd.com

<http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism.html>

How to submit a Complaint to the PCM

Complaints about the environmental and social performance of the EBRD can be submitted by email, telephone or in writing at the above address, or via the online form at:

<http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism/submit-a-complaint.html>

November 2017 - May 2018 monitoring period

This is the first Problem-solving Initiative Monitoring Report¹ of the Project Complaint Mechanism (PCM) regarding two Complaints registered by the PCM in June and July 2017.² The Complaints raised concerns about the resettlement process connected with the EPS Restructuring³ and EPS Kolubara Environmental Improvement⁴ Projects in Serbia.^{5,6} Both Complaints requested that PCM undertake problem-solving to address the concerns raised.

The Eligibility Assessment Report relating to the Complaints, released in August 2017, found both Complaints eligible for a Problem-solving Initiative (PSI) in accordance with the PCM Rules of Procedure (PCM RP). The President of the EBRD accepted the recommendation of the Eligibility Assessors to proceed with PSI, and on 1 September 2017 PCM Expert Constantin-Adi Gavrilă initiated the PSI. Given the need for culturally meaningful co-facilitation and coordination with parties and other stakeholders in Serbia, the PCM Expert worked with a local mediator, Ana Toskić.

Considering the urgent need for constructive engagement the PCM team conducted the PSI during September 2017. The parties reached informed agreements, where needed, regarding temporary resettlement, updated investments inventory of the households and agreed that the compensation for the expropriated households will be determined by the domestic courts, as prescribed by the Serbian legislation. In late October 2017, the PCM Expert recognised that further efforts were unlikely to establish more progress around the unresolved issues raised in the Complaints. As per the paragraph 37 of the PCM RP, the PCM Expert therefore concluded, “no further progress towards resolution of the dispute is possible”. Consequently, the PCM Expert considered the PSI completed, and identified the need for follow-up monitoring and reporting by the PCM Officer.

The final Problem-solving Completion Report was submitted to relevant parties for information, as well as to the EBRD President and the Board of Directors. A summary of the Problem-solving Completion Report was subsequently released on the PCM register on 2 November 2017.⁷

During this first monitoring period, the PCM Officer reviewed updates and comments provided by the parties involved in the Problem-solving Initiative. In light of information received to date, and in accordance with the scope of the PCM Officer’s monitoring role, the PCM Officer has made certain observations regarding status of the implementation of the agreements reached by parties during the dialogue process.

¹ Unless otherwise defined, capitalised terms used in this report refer to terms as defined in the PCM Rules of Procedure.

² In accordance with paragraph 39 of the PCM Rules of Procedure (PCM RP), the PCM Officer is to monitor the implementation of agreements reached during a Problem-solving Initiative.

³ Project Summary Document for EPS Restructuring Project, available at <http://www.ebrd.com/work-with-us/projects/psd/eps-restructuring.html>

⁴ Project Summary Document for EPS Kolubara Environmental Improvement Project, available at <http://www.ebrd.com/work-with-us/projects/psd/eps-kolubara-environmental-improvement.html>

⁵ Complaint Number 2017/03, available at <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism/pcm-register.html> and annexed to this report.

⁶ Complaint Number 2017/04, available at <http://www.ebrd.com/work-with-us/project-finance/project-complaint-mechanism/pcm-register.html> and annexed to this report.

⁷ Problem-solving Completion Report Summary is available at the [PCM Register](#)

Several households voluntarily relocated from Vreoci in November 2017. According to the parties, no specific issues remain outstanding relating to the agreed conditions for temporary resettlement. While the affected families have expressed satisfaction with how their relocations were carried out, they continue to have questions about the next steps in the resettlement process and are interested in maintaining the communication with the company.

The agreements reached provided for a role for the PCM to address any issues arising during implementation of commitments. In light of the ongoing resettlement process, the PCM will engage with both parties for the purposes of information-sharing and dialogue.

The next Monitoring Report is expected to be issued in December 2018.