

COMPLAINTS: EPS Restructuring and EPS Kolubara Environmental Improvement Projects

REQUESTS NUMBER: 2017/03 and 2017/04

Problem-solving Initiative Monitoring Report II – December 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 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 <http://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>

Executive Summary

This is the second Problem-solving Initiative (PSI) Monitoring Report¹ of the Project Complaint Mechanism (PCM) in relation to the EPS Restructuring² and EPS Kolubara Environmental Improvement Project.³ The PCM case was initiated following the receipt of two complaints in June and July of 2017,⁴ where the Complaints raised concerns about the resettlement process connected with these 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 single Problem-solving Initiative, in accordance with the PCM Rules of Procedure (PCM RP). The President of the EBRD accepted the recommendation of the Eligibility Assessors to initiate the PSI, and on 1 September 2017, PCM Expert Constantin-Adi Gavrilă initiated the PSI. Given the need for culturally meaningful co-facilitation and coordination between the 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 initiated the PSI in September 2017. The parties reached informed agreements, where needed, regarding temporary resettlement; updated investments inventory of the households affected; and agreed that compensation for the expropriated households would 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 paragraph 37 of the PCM RP, the PCM Expert therefore concluded, “no further progress towards resolution of the dispute is possible,” and considered the PSI completed.

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 The Report identified the need for follow-up monitoring and reporting by the PCM Officer.

The first Problem-solving Initiative monitoring report was issued by the PCM in July 2018 and covered the period from November 2017 – May 2018. In July 2018, the parties reported to the PCM Officer that no specific issues remained outstanding in relation to the agreed-upon conditions for temporary resettlement. While the affected families have expressed satisfaction with how their relocations were carried out, they continued to have questions about the next

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

² Project Summary Document for EPS Restructuring Project, available at: <https://www.ebrd.com/work-with-us/projects/psd/eps-restructuring.html>

³ 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>

⁴ 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.

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 The Problem-solving Completion Report Summary is available on the PCM Register.

steps in the finalization of their resettlement process and were interested in maintaining communication with the Client.

During this second monitoring period spanning from June 2018 - November 2018, the PCM Officer reviewed the updates provided by the Parties involved in the Problem-solving Initiative.

In light of the information received to date, and in accordance with the scope of the PCM Officer's monitoring role, the PCM Officer has noted the following in relation to the implementation of the agreements reached during PSI dialogue:

- The Client has confirmed that they continue to implement the actions agreed to during the dialogue process.
- The affected families informed the PCM Expert that they are satisfied with the current progress of the agreements' implementation and are interested in maintaining contact with the Client.

In light of the ongoing agreement implementation, the PCM Officer has determined that the PCM will continue engaging with the Parties and will continue monitoring this Complaint for an additional six-month period. The next Monitoring Report is expected to be issued in June 2019.