Project Complaint Mechanism
Annual Report 2017

Report of the Project Complaint Mechanism Officer

Spring in Bashevo village, Eastern Rhodopes, Bulgaria
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*Note: Unless otherwise defined, capitalised terms used in this Annual Report refer to terms as defined in the PCM Rules of Procedure.*
1. HIGHLIGHTS OF THE YEAR

PCM Complaints

2017 was a dynamic year for the EBRD Project Complaint Mechanism (PCM). The volume of Complaints registered (10 of 27 received) was the highest seen in any one year from the PCM’s inception in 2010. Further, the PCM issued a record 21 Eligibility Assessment, Compliance Review, Problem-Solving Completion and Monitoring reports.

The sector for which the highest number of Complaints was registered in 2017 was power and energy. The PCM also completed an Eligibility Assessment for the first Complaint related to a financial intermediary (FI) Project.

Three out of 10 Complaints registered in 2017 were submitted by individuals or groups without the support of a civil society organisation. As well, Complainants increasingly requested the use of the PCM’s Problem-solving function throughout 2017, and the PCM finalised the second ever Problem-solving Initiative in October.

As part of its efforts to build an enabling environment for the problem-solving function, the PCM:

- drafted A Guide for Parties on using mediation effectively in the context of development finance, receiving feedback from stakeholders which will be taken into account in future iterations of the Guide
- in collaboration with the World Bank Group’s CAO and the Complaints Mechanism of the European Investment Bank, co-hosted a regional capacity-building workshop for local mediators in Yangon, to scale up on-the-ground support for dispute resolution and problem-solving in certain EBRD countries of operations in Central Asia and in the southern and eastern Mediterranean (SEMED) region.
- hosted a learning session for Bank staff, which featured a civil society perspective on using company-community dialogue and joint problem-solving to enhance EBRD projects.

Eight Complaints were closed during the year, two following the completion of Compliance Reviews for which no instances of non-compliance were identified; and six following the conclusion of PCM monitoring, once EBRD management had fully implemented all actions envisaged under the respective Management Action Plans.

In 2017, concerns continued to be raised by both internal and external stakeholders about the predictability and timeliness of PCM Complaint processing. As a result, steps were taken by the PCM team to enhance the robustness of PCM practices and procedures. Internal systems and tools were optimised to streamline case management, increasing consistency in the Complaint-handling process. In addition, the PCM Officer drafted Eligibility Assessment reports for comment by the PCM Experts acting as co-Eligibility Assessors, which fostered greater process reliability and significantly reduced the average duration of the Eligibility Assessment stage.

Participation in the IAMs Network

The PCM team played an active role in the Network of Independent Accountability Mechanisms (IAMs). This network provides a forum for some 18 mechanisms (similar to the PCM) of international financial institutions and development organisations, to share practices and experiences relating to their operations. Activities included:

- participation in the IAMs Standards and Good Practice working group, which is charged with identifying and developing common standards and good practice guides for IAMs
- active engagement in the IAMs Outreach working group, established to enhance coordination among the IAMs to promote greater accessibility to the mechanisms by project-impacted populations.

PCM staff also participated in the Annual Meeting of IAMs hosted by the Black Sea Trade and Development Bank in Thessaloniki in August.
Stakeholder engagement and outreach

For the PCM, ensuring accessibility to project-affected populations remains of paramount importance. Efforts made in 2017 to raise awareness around, and build trust in the PCM, included the following:

- **organisation of joint outreach events with IAMs in economies where the EBRD operates, including Greece, Cyprus and Jordan.** These events, involving local community representatives, were critical for gaining a clearer picture of the challenges faced by project-affected communities in addressing project impacts and seeking remedy.

- **identification of lessons learned from joint outreach events,** to ensure continuous improvement and greater reach of efforts.

- **contribution to the production of an IAMs video for stakeholder outreach.**

- **publication of an Arabic version of the online PCM Complaint form** (already available in English and Russian) to enhance PCM accessibility in countries of operations in the SEMED region.

- **distribution of a survey to EBRD Resident Offices (ROs) on PCM-related outreach.** In recognition that ROs are often the first to learn of project-related environmental and social issues, the PCM conducted a survey to better understand RO engagement with external stakeholders, and to identify how the PCM could support RO capacity-building around PCM practices. Further, the PCM held meetings with the Belgrade and Sofia ROs to share information on the PCM’s mandate and activities in 2017.

- **creation of an EBRD PCM intranet page.** In support of increasing awareness of the PCM across the Bank, the PCM created a comprehensive intranet page, housing key information about the PCM including the PCM Rules of Procedure, Complaint processing flowchart and EBRD internal guidance on engaging with the PCM in relation to specific Complaints.

- **provision of content for the EBRD e-orientation course,** to ensure new starters at the EBRD have access to basic information about the PCM.

- **issuance of an updated Guide for EBRD Clients,** to provide additional clarity on what a Client can expect, and how they may be impacted by a PCM process.

- **participation in a joint civil society-IAM session** at the UN Business and Human Rights Forum in Geneva in November.

- **distribution of the second annual stakeholder engagement survey,** to gather perspectives on the PCM’s performance and to encourage stakeholder feedback outside of Complaints processing.

**PCM policy review**

In accordance with the PCM Rules of Procedure, the PCM is subject to a policy review every five years. A current policy review is expected to result in a revised policy for the mechanism in the second quarter of 2019. In late 2017, the PCM set the foundation for this review by commissioning an external benchmarking report, which provided an analysis of the PCM’s structure, functions and key procedures in comparison with IAMs at similar international financial institutions.
2. ABOUT THE PROJECT COMPLAINT MECHANISM

What is the EBRD Project Complaint Mechanism?

The PCM is the accountability mechanism of the EBRD. It provides an opportunity for an independent review of Complaints from one or more individual(s) or organisation(s) concerning a Bank Project that is alleged to have caused, or is likely to cause, environmental and/or social harm.

What is the mandate of the PCM and how is the PCM operationalised?

The PCM process is governed by the PCM Rules of Procedure, which set out who may file a Complaint, how a Complaint should be filed, on what basis a Complaint will be found eligible and, if found eligible, how it will be processed by the PCM (that is, Compliance Review, Problem-solving Initiative, or both). The PCM Rules of Procedure also describe requirements relating to timelines, reporting, disclosure of and access to information, training, outreach, and other issues relevant to the administration of the PCM. The current PCM Rules of Procedure came into force in November 2014, and the PCM is reviewed every five years. A new policy for the mechanism is expected to be presented for approval to the EBRD Board of Directors in 2019.

What are the functions of the PCM?

The PCM can 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 project-specific provisions of the Public Information Policy
- **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.

Chart 1 outlines the Complaint process under the PCM Rules of Procedure.

Who plays a role in implementing the PCM?

**PCM Officer**: The PCM Officer is responsible for the day-to-day administration of the PCM, including:

- outreach and training
- maintenance of the PCM web site and PCM Register
- registration of Complaints
- serving as a co-Eligibility Assessor
- selection of PCM Experts to determine eligibility, and conduct Compliance Reviews and/or Problem-solving Initiatives
- monitoring and reporting on the implementation of follow-up activities
- reporting to the President and the Board on an annual basis and on such other occasions as may be necessary
- communications with local communities, civil society organisations and other accountability mechanisms.

The PCM Officer is supported by a small team and is provided with budgetary resources, in accordance with the PCM Rules of Procedure (see the PCM web page for more information).

**PCM Experts**: PCM Experts are responsible for serving as co-Eligibility Assessors, Compliance Review Experts or Problem-solving Experts. PCM Experts may be responsible, on delegation by the PCM Officer, for any follow-up monitoring and reporting. PCM Experts operate externally to the Bank, and are international professionals who specialise in areas such as environmental law, sustainable development and mediation. Each year, the PCM Experts meet with the PCM team, Bank staff and management and others, such as civil society organisations, at the EBRD Headquarters in London for the purposes of training and to share experiences.

At the end of 2017, a total of six PCM Experts were on a standing roster.

The PCM Rules of Procedure also provide for the appointment of ad hoc PCM Experts should a suitable PCM Expert from the standing roster not be available.

**Chief Compliance Officer (CCO)**: In support of the PCM’s objective of providing an independent review of Complaints concerning Bank Projects, the role of the CCO, as the head of the office in which the PCM is located, is limited to ensuring that the PCM Officer carries out the PCM functions and administrative responsibilities according to the PCM Rules of Procedure.
Chart 1: PCM Complaint process

Note: A PCM Complaint can be found eligible for a Problem-solving Initiative, a Compliance Review or both. If found eligible for both, the Eligibility Assessors will decide the order in which the functions should be conducted.
3. COMPLAINTS IN 2017

In 2017, the PCM received 27 new Complaints, of which 10 were registered. This volume of registered Complaints is the highest seen in any one year since the PCM’s inception in 2010. PCM continued processing another 12 Complaints through various stages of the PCM process (see Chart 2, below). (Note: the data provided records where Complaints have passed through multiple stages over the course of the year – for example, a Complaint for which the Eligibility Assessment was completed and the Compliance Review was initiated in 2017 is counted in both the Eligibility Assessment and Compliance Review categories.)

Overall, the PCM issued a record 21 Eligibility Assessment, Compliance Review, Problem-Solving Completion and Monitoring reports. As such, 2017 was extremely active for the PCM.

Chart 2: PCM Complaints and stages achieved in 2017

Overview of PCM Complaints 2010-17
- **Complaints received and registered**

Chart 3 shows the total number of Complaints received and registered since the PCM was established in 2010. Thirty-four Complaints were registered out of 146; as a percentage, some 23 per cent of Complaints received satisfied the PCM’s registration criteria. Notably, in 2017, the highest number of Complaints received and registered by the PCM was recorded. This may be partially attributed to the increasing profile of international financial institutions’ Independent Accountability Mechanisms in recent years.
A review of registered Complaints by industry sector (see Chart 4) reveals that power and energy continues to be the sector for which the largest number of PCM Complaints is registered. The transport sector follows, then natural resources, and lastly, manufacturing and services. Five of the 10 Complaints registered by the PCM in 2017 were in relation to the power and energy sector, three in transportation, one in natural resources and one in equity funds.
• **Complainants**

In accordance with the PCM Rules of Procedure, any individual or organisation, such as a civil society organisation (CSO), may submit a Complaint seeking Compliance Review in regards to an EBRD Project. In the case of Problem-solving, the individual or individuals must be directly impacted by an EBRD Project. Project-affected populations may authorise a representative, such as a CSO, to represent them in a PCM Complaint process.

Unlike in previous years, a relatively high number (three of 10) of Complaints were submitted by individuals or groups, without the support of a CSO. Chart 5 illustrates Complaints registered by category of Complainant.

![Chart 4: Complaints by sector, 2010-17](chart4.png)
Complaints by issue(s)

The data in Chart 6 show the types of issues raised in Complaints. This analysis is based on the 34 Complaints registered and processed by the PCM during 2010-17. Most Complaints raise multiple issues; in 2017, the highest number of Complaints related to land acquisition, involuntary resettlement and economic displacement. Key Complaints in this regard relate to EBRD financing in Serbia and Bulgaria. The second largest category related to information disclosure and stakeholder engagement, as well as environmental and labour-related impacts in relation to EBRD funded Projects in Bulgaria, Serbia, Kosovo, Georgia and Azerbaijan.
Complaints by region

PCM Complaints registered by region during 2010-17 are displayed in Chart 7. The majority of Complaints relate to EBRD Projects in south-eastern Europe, and eastern Europe and the Caucasus.

Chart 7: Complaints by region, 2010-17
Complaint processing in 2017

1. Process predictability and Complaint processing time

Concerns continued to be raised by both internal and external stakeholders regarding the predictability and timeliness of PCM Complaint processing during 2017. In response, the PCM Office took steps to enhance the robustness of PCM practices and procedures. Internal systems and tools were optimised to streamline case management, increasing consistency in the process management of Complaints. For example, a registration checklist was introduced to ensure consistency in the way Complaints were treated by the PCM once received.

In the Eligibility Assessment stage of Complaint processing, the PCM Officer acts as co-Eligibility Assessor. In 2017, an approach was adopted whereby the PCM Officer, with the support of staff, prepared the first draft of Eligibility Assessment reports. These drafts were then shared with the relevant PCM Expert to incorporate their comments. This approach was adopted with a view to promoting greater predictability and timeliness relating to Eligibility Assessment, and the results demonstrate greater efficiency in the PCM Complaint process with a significant decrease in the overall average duration of Eligibility Assessments.

Chart 8 shows the duration of a Complaint-handling process, from registration to monitoring. The composite average length of time over the last year for the two Complaints that reached monitoring was 86 business days.

In reviewing 2017 data, the determination on registration of a Complaint took four business days on average. The PCM Rules of Procedure allow 10 business days. On average, Eligibility Assessment took 31 business days (the PCM Rules of Procedure allow 40 business days following receipt of the management response); the Problem-solving stage 61 business days and the Compliance Review stage 417 business days. All Complaint-related reports issued in 2017 are available on the PCM Register.

Chart 8: Complaint processing time in 2017

<table>
<thead>
<tr>
<th>Days</th>
<th>Registration</th>
<th>Eligibility Assessment</th>
<th>Problem-solving</th>
<th>Compliance Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Days</td>
<td>4</td>
<td>31</td>
<td>61</td>
<td>417</td>
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PCM Register
2. Receipt of Complaints

In accordance with the PCM Rules of Procedure, following receipt of a Complaint, the PCM Officer is afforded 10 business days to determine whether the Complaint satisfies the criteria for registration. Of the 27 Complaints received by the PCM in 2017, 17 did not satisfy the registration criteria. These related to matters that fall outside of the PCM’s mandate, including procurement, labour and contract issues not relating to an EBRD project, and allegations of fraud and corruption. If relevant, Complaints found ineligible for registration are redirected to an appropriate department within the Bank. Two other Complaints were deemed ineligible for registration in 2017, as they related to projects not yet approved by the EBRD Board of Directors.¹

3. Complaints suspended from further processing

The PCM Rules of Procedure provide that a Complaint may be suspended from further processing by the PCM if the Complainant did not previously raise their concerns with the EBRD and/or Client. This requirement may be waived by the PCM Officer if such efforts could be considered harmful to the Complainant or futile. By suspending a Complaint to allow the Bank and/or Client reasonable time to address the concerns of the Complainant, the PCM seeks to promote the relevant and timely resolution to project impacts. A PCM Complaint process may ultimately offer effective remedy; however, such remedy may take significantly more time to achieve than may be the case if near-to-the-ground solutions are available.

While a Complaint remains suspended, the PCM maintains contact with the Complainant and Bank staff (and/or Client, as appropriate) to follow whether progress is being made towards resolution of the issues raised. After a reasonable amount of time has passed, and if the desired resolution has not been achieved, a Complainant may request that the PCM continue to process their Complaint.

In 2017, two submissions received by the PCM were suspended to afford EBRD management the opportunity to engage directly with the Complainants. In addition, the PCM continued to follow whether progress was made in relation to several Complaints suspended in 2016. Over the course of the year, six suspended Complaints were closed as no further action was sought by the Complainants. One Complaint, relating to the Krnovo Wind Farm Project, was registered following the request of the Complainant.

4. Registration of Complaints

The PCM Officer proceeds to register a Complaint if it includes:

- information about the identity and contact details of the Complainant and authorised representative (if any)
- the name or a description of an EBRD Project, and describes the harm or potential harm the Project has caused or is likely to cause
- if the named Project meets certain timing requirements within the Bank’s financing cycle.

The PCM registered 10 new Complaints in 2017, which raised issues such as project categorisation, stakeholder engagement, access to information, labour, and land acquisition and resettlement issues. Notably, the PCM registered the first case in relation to a financial intermediary (FI) Project.

¹ The PCM Rules of Procedure stipulate that where the Problem-solving function is requested, the Complaint must relate to a Project where the Bank has provided – and not withdrawn – a clear indication that it is interested in financing the project, or the project has passed final review by the Bank’s Operations Committee. Where the Compliance Review function is requested, the Complaint must relate to a Project that has either been approved for financing by the Board or by the body which has been delegated authority to give approval to the financing of such Project. In both of these cases, the PCM informed the Complainants that if the Bank approves these projects in future, and if the concerns persist, they may request that the PCM proceed to process their Complaints.
Complaints registered in 2017

CMI Offshore, Regional
**Business sector:** Transport  
**Project number:** 47096  
**Relevant EBRD Policy:** 2014 Environmental and Social Policy  
**Category:** B  
**EBRD finance:** US$ 21,000,000  
**Client:** CMI Offshore LTD  
**Complaint registration date:** 20 October 2017  
**Complainants’ allegations:** Incorrect project categorisation, the project being an associated facility of an oil extraction project, and thus directly impacting an internationally protected area. Complainants believe that the EBRD has also violated its Turkmenistan Country Strategy, which excludes financing of the oil and gas sector due to the country’s failure to meet key governance and economic benchmarks as articulated in Article 1 and in the country strategy itself.  
**PCM review stage at the end of 2017:** Eligibility Assessment ongoing.

BEH Bond Issue and Kozloduy International Decommissioning Support Fund, Bulgaria  
**Business sector:** Power and energy  
**Project number:** 48556  
**Relevant EBRD Policy:** 2014 Environmental and Social Policy  
**Category:** B  
**EBRD finance:** €80,000,000  
**Client:** Bulgarian Energy Holding EAD  
**Complaint registration date:** 18 October 2017  
**Complainants’ allegations:** Loss and damage of properties and agricultural land due to the proximity of the mine and the damage caused by explosions in the Maritsa East mines.  
**PCM review stage at the end of 2017:** Problem-solving Initiative ongoing.

Belgrade Public Transport and Traffic Infrastructure, Serbia (two Complaints)  
**Business sector:** Municipal and environmental infrastructure  
**Project number:** 42809  
**Relevant EBRD Policy:** 2014 Environmental and Social Policy  
**Category:** B  
**EBRD finance:** €166,452,065  
**Client:** City of Belgrade  
**Complaint registration date:** 14 September 2017  
**Complainants’ allegations:** Insufficient stakeholders’ engagement on the new proposed Slavija Square design. The proposed road design is putting the pedestrians in a subordinated position while facilitating the use of cars. The planned detour would be several times longer than the existing one with pedestrian crossings located on the square.  
**PCM review stage at the end of 2017:** Problem-solving Initiative ongoing.
**Lukoil Shah Deniz Stage II, Azerbaijan**

**Business sector:** Natural resources  
**Project number:** 46766  
**Relevant EBRD Policy:** 2014 Environmental and Social Policy  
**Category:** A  
**EBRD finance:** up to US$ 1 billion  
**Client:** LUKOIL Overseas Shah Deniz Ltd  
**Complaints registration dates:** The first complaint on 4 September 2017 and the second complaint on 6 September 2017  
**Complainants’ allegations:** Lack of adequate consultation with local communities, lack of access to information and redress for local communities, lack of compensation for local residents’ property damage arising from project-related accidents (gas pipeline explosion), lack of necessary soil, air and water quality monitoring, inability to grow fruits and vegetables in the impacted villages due to soil contamination.  
**PCM review stage at the end of 2017:** Compliance Review initiated.

**Southeast Europe Equity Fund II, Regional**

**Business sector:** Equity funds  
**Project number:** 34894  
**Relevant EBRD Policy:** 2003 Environmental Policy  
**Category:** FI  
**EBRD finance:** US$ 200 million  
**Client:** Southeast Europe Equity Fund II LP  
**Complaint registration date:** 18 August 2017  
**Complainants’ allegations:** Violation of human and worker rights of those working in the Kosovo private hospital, misuse of professional and personal integrity, allegations of discrimination towards local professionals.  
**PCM review stage at the end of 2017:** Eligibility Assessment ongoing.

**EPS Kolubara Environmental Improvement and EPS Restructuring, Serbia (two Complaints)**

**Business sector:** Power and energy  
**Project number:** 41923 and 47318  
**Relevant EBRD Policy:** 2008 Environmental and Social Policy and 2014 Environmental and Social Policy  
**Category:** A and B  
**EBRD finance:** €80 million and up to €200 million  
**Client:** Elektroprivreda Srbije (EPS)  
**Complaints registration dates:** first complaint on 15 June 2017 and second complaint on 25 July 2017  
**Complainants’ allegations:** Expropriation and resettlement issues involving the EPS Client. Complainants were allegedly asked to leave their homes for the coal mine to progress, and were not given temporary shelter, funds to purchase new homes, nor any assurance that they would be offered a temporary shelter.  
**PCM review stage at the end of 2017:** Monitoring of Problem-solving Initiative.
GEORGIA - Jvari-Khorga Interconnection, Georgia

Business sector: Power and energy
Project number: 45181
Relevant EBRD Policy: 2008 Environmental and Social Policy
Category: A
EBRD finance: €47 million
Client: Government of Georgia
Complaint registration date: 8 May 2017
Complainants’ allegations: A sub-contractor of the Client claims that they have been owed their wages for their work for about six months.
PCM review stage at the end of 2017: Compliance Review ongoing.

Krnovo Wind Farm, Montenegro

Business sector: Power and energy
Project number: 44546
Relevant EBRD Policy: 2014 Environmental and Social Policy
Category: B
EBRD finance: up to €47.5 million
Client: Krnovo Green Energy d.o.o.
Complaint registration date: 6 March 2017
Complainants’ allegations: Improper negotiation process for the land acquisition of the complainant.
PCM review stage at the end of 2017: Compliance Review ongoing.

Comprehensive information on all registered Complaints is available on the PCM Register.
5. Eligibility Assessment

After a Complaint has been registered, the PCM Officer assigns a PCM Expert to conduct the Eligibility Assessment jointly with the PCM Officer. The Eligibility Assessment is not intended to judge the merits of the allegations in the Complaint, or to make a judgment regarding the truthfulness or correctness of the Complaint; rather, the objective is to ascertain whether, based on the information available, the Complaint satisfies the eligibility criteria outlined in the PCM Rules of Procedure. The criteria include the following:

- For a Problem-solving Initiative, the Eligibility Assessors consider whether the Complaint has been brought by one or more individuals impacted by an EBRD Project, and whether a Problem-solving Initiative may assist in resolving the dispute, or is likely to have a positive result.
- For a Compliance Review, the Eligibility Assessors consider whether the Complaint relates to actions or inactions that are the responsibility of the Bank, amounts to more than a technical violation of a relevant EBRD Policy, and/or present a failure of the Bank to monitor Client commitments under a relevant EBRD Policy.

Five of the eight Complaints registered in 2017 were found eligible for Problem-solving and three for Compliance Review. Two further Complaints were assessed against eligibility criteria in 2017, although the Eligibility Assessment reports were issued in early 2018 and will be included in the PCM Annual Report for 2018.

Complaints found eligible for Compliance Review related to the following EBRD Projects:

- Lukoil Shah Deniz Stage II, Azerbaijan, natural resources
- GEORGIA - Jvari-Khorga Interconnection, Georgia, power and energy
- Krnovo Wind Farm, Montenegro, power and energy

Complaints found eligible for Problem-solving Initiative related to the following EBRD Projects:

- BEH Bond Issue and Kozloduy International Decommissioning Support Fund, Bulgaria, power and energy
- Belgrade Public Transport and Traffic Infrastructure (two complaints), Serbia, municipal and environmental infrastructure
- EPS Kolubara Environmental Improvement, Serbia, power and energy
- EPS Restructuring and EPS Kolubara Environmental Improvement, Serbia, power and energy

6. Complaints at the Problem-solving stage

Should an Eligibility Assessment result in a positive determination on the question of eligibility, the PCM Officer, on behalf of the Eligibility Assessors, conveys the recommendation to the President who decides whether or not to accept it. The President’s decision, and reasons for it, are publicly disclosed on the PCM Register.

If the President approves the recommendation to proceed with a Problem-solving Initiative, the PCM Officer appoints a PCM Expert to carry out problem-solving consistent with the terms of reference outlined in the Eligibility Assessment report. There are no restrictions as to who can act as the Problem-solving Expert.

Five Complaints were at the problem-solving stage during the year, relating to the following Bank Projects:

- BEH Bond Issue and Kozloduy International Decommissioning Support Fund, Bulgaria, power and energy
- Belgrade Public Transport and Traffic Infrastructure, Serbia, transportation (two complaints)
- EPS Kolubara Environmental Improvement, Serbia, power and energy
- EPS Restructuring and EPS Kolubara Environmental Improvement, Serbia, power and energy.

Two Problem-solving Initiatives, relating to two Complaints in relation to the EPS Restructuring and EPS Kolubara Environmental Improvement Projects, were finalised in November 2017.
Resettlement in Serbia

Several families affected by the expansion of the Kolubara mining basin in Serbia voluntarily resettled following the completion of a dialogue initiative convened by the EBRD’s Project Complaint Mechanism.

In June 2017 a number of families raised concerns connected with the EBRD’s investments in Elektroprivreda Srbije, the national energy company of Serbia, and sought PCM assistance to engage in a constructive dialogue process with the Bank’s Client. These families were in the process of resettling due to the expansion of the Kolubara mine. Complaints were triggered when the families were informed that they were subject to an emergency eviction order. The families, however, had a strong preference to remain in their homes until administrative proceedings on compensation for expropriated assets were finalised.

The mechanism held several bilateral and joint meetings with the parties in July and August 2017, concluding that there was a clear desire by all parties to engage constructively on a number of issues. In August and September 2017 two rounds of joint meetings convened by PCM and co-facilitated by an international and a local mediator were held.

Issues discussed during the dialogue initiative included temporary resettlement, expropriation-related matters, and security and livelihood impacts. The parties were able to discuss their perspectives and share information in a constructive environment. Importantly, the community members were able to express to the company, directly, the impact the resettlement process was having on their lives.

Several families signed memoranda of understanding with the company, reaching arrangements on temporary measures for resettlement. The PCM is currently monitoring implementation of those agreements.

7. Complaints under Compliance Review

If an Eligibility Assessment concludes that a Complaint satisfies the eligibility requirements for a Compliance Review, the PCM Officer appoints a PCM Expert (who did not act as co-Eligibility Assessor) to conduct a Compliance Review.

The objective of a Compliance Review is to establish if (and if so, how and why), any EBRD action, or failure to act, in respect of a Project has resulted in non-compliance with a relevant EBRD policy, and, if in the affirmative, to recommend remedial changes. Such recommendations: (i) address the findings of non-compliance at the level of EBRD systems or procedures, to avoid a recurrence of such or similar occurrences; and/or (ii) address the findings of non-compliance in the scope or implementation of the project; and (iii) consider monitoring and reporting on the implementation of recommended changes.

Nine Complaints were at the Compliance Review stage during the year, relating to the following Bank Projects:

- Lukoil Shah Deniz Stage II, Azerbaijan, natural resources
- GEORGIA - Jvari-Khorga Interconnection, Georgia, power and energy
- Krnovo Wind Farm, Montenegro, power and energy
- EPS Restructuring, Serbia, power and energy
- Turk Traktor, Turkey, manufacturing and services
- Altair Khuder - Debt and Equity, Mongolia, natural resources
- Dariali HPP, Georgia, power and energy
- Energy Resources II, Mongolia, natural resources
- Oyu Tolgoi, Mongolia, natural resources.
The Compliance Review Experts’ work on the Complaints relating to the EPS Restructuring, Turk Traktor, Altai Khuder Debt and Equity, and Dariali HPP Projects concluded in 2017. In each of these Complaints, instances of non-compliance were identified. EBRD management prepared Management Action Plans, which were subsequently accepted by the EBRD Board of Directors. Management Action Plans are posted on the PCM Register.

The Compliance Reviews relating to the Complaints connected with the Energy Resources II and Oyu Tolgoi Projects resulted in no findings of non-compliance. The Complaints were subsequently closed.

Three Compliance Reviews remained ongoing at the end of 2017.

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**Dariali HPP, Georgia**

In December 2014 the PCM registered a Complaint from “Green Alternative” and “Stepantsminda”, two organisations based in the Republic of Georgia. The Complaint raised concerns in relation to the Dariali Hydropower Plant, an EBRD-financed Project. The Complaint was found eligible for Compliance Review in August 2015. The Compliance Review was finalised in April 2017. The PCM Compliance Review Expert made two findings of non-compliance in respect of the grounds set out in the Complaint.

The Compliance Review determined that the Bank failed to comply with PR 1.9 of the 2008 Environmental and Social Policy (ESP). Specifically, the Expert determined that the Environmental and Social Impact Assessment (ESIA) did not identify or assess the potential environmental and social impacts of independently existing geotechnical risks, including the risk of a landslide caused by an event other than the Project itself.

In addition, the Compliance Review determined that the Bank did not comply with PR 1.5 of the 2008 ESP as the ESIA did not include up-to-date data regarding Tergi river flow.

The Compliance Review report included recommendations to address the findings of non-compliance, in response to which EBRD management prepared a Management Action Plan. The Action Plan included commitments such as clearer identification in the ESIA of external issues that might affect the Project, the development of a guidance note on biodiversity, and adequate information disclosure. During 2017 the PCM monitored the implementation of the Management Action Plan, and considered all actions under the Complaint completed and closed the Complaint in October (information available on the PCM Register).
8. Complaints under monitoring

In accordance with the 2014 PCM Rules of Procedure, the PCM Officer monitors the implementation of Management Action Plans, and issues Compliance Review Monitoring reports at least biannually or until the PCM Officer determines that monitoring is no longer needed.

Management Action Plans are prepared by Bank management following receipt of a Compliance Review report that contains instances of non-compliance. In preparing Compliance Review Monitoring reports, the PCM Officer consults with the relevant parties. The reports are submitted to the EBRD’s President and Board of Directors for information, and then publicly released.

The PCM Officer also monitors the implementation of any agreements reached during a Problem-solving Initiative. The PCM Officer submits draft Problem-solving Initiative Monitoring reports to the relevant parties who are given reasonable opportunity to comment on such reports. The PCM Officer issues Problem-solving Initiative Monitoring reports at least biannually or until the PCM Officer determines that monitoring is no longer needed.

In 2017, Compliance Review and Problem-solving Initiative Monitoring reports were issued relating to Complaints in respect of the following Bank Projects:

- **Boskov Most Hydro Power, FYR Macedonia, power and energy** – final two actions closed in 2017, Complaint closed
- **Paravani HPP, Georgia, power and energy** – final action closed in 2017, Complaint closed
- **EPS: Emergency Power Sector Reconstruction Loan, EPS Power II, EPS Kolubara Environmental Improvement, Serbia, power and energy** – 10 actions closed in 2017, Complaints closed
- **South-West Corridor Road Compliance Review, Kazakhstan, transportation** – all 11 actions closed, Complaint closed
- **South-West Corridor Road Problem-solving, Kazakhstan, transportation** – seven actions closed, three actions to be monitored in 2018
- **Dariali HPP, Georgia, power and energy** – all three actions closed in 2017, Complaint closed
- **Altain Khuder debt & equity, Mongolia, natural resources** – four actions closed, two actions to be monitored in 2018.

In summary, six Complaints were closed in 2017 after EBRD management addressed all actions contained in the respective Management Action Plans. In total, 38 actions were considered completed as part of monitoring, and the PCM published nine Compliance Review and Problem-solving Monitoring reports during the year.

The Monitoring reports issued by the PCM are available on the [PCM Register](#).
4. OUTREACH, TRAINING AND KNOWLEDGE SHARING

External outreach and promoting accessibility

Accessibility to the PCM remains a key priority for the PCM Office. In seeking to foster an accessible mechanism, the PCM promotes greater awareness of the opportunity to raise concerns, and importantly, aims to build credibility and trust with project-impacted populations and CSOs.

The PCM accepts oral and written Complaints in any language of the EBRD region. To facilitate the raising of Complaints with the PCM Office, an online Complaint form is available on the PCM web site. In 2017, the Complaint form (already available in English and Russian) was made available in Arabic, to support greater accessibility to the mechanism by Project-impacted populations in the SEMED region. In addition, the PCM has several publications for Complainants and potential Complainants to help them understand how the mechanism works and what functions may be appropriate based on their specific circumstances. PCM publications are available on the PCM web site in multiple languages. The PCM web site was also updated in 2017 to promote improved navigation.

Outreach events are essential for promoting accessibility of the PCM. In 2017, the PCM held numerous small-group meetings with CSOs and participated actively in the Civil Society Programme during the Bank’s Annual Meeting held in Nicosia in May. In addition, the PCM hosted an outreach event in Amman jointly with Independent Accountability Mechanisms (IAMs) of other international financial institutions (IFIs) in May. The PCM also participated in IAM outreach meetings with CSOs held on the margins of the Annual Meeting of the IAMs Network in Thessaloniki in August. Lastly, the PCM Officer was a participant in a session at the Business and Human Rights Forum in Geneva in November. This was a joint CSO-IAM led discussion entitled The Road to Remedy: Challenges and Opportunities for Communities Accessing Remedy in International Development Projects. Each year the forum brings together more than 2,000 participants from government, business, community groups, NGOs, law and investment firms, human rights institutions, trade unions, academia and the media to engage in discussion on current business-related human rights topics.

Key themes emerging from conversations with CSOs include partnership and engagement with IAMs, barriers to accessing accountability mechanisms, complainants’ security and responding to retaliation. CSOs also raised issues related to:

- challenges to the independence of IAMs
- transparency and access to information concerning IFI-financed projects
- the role IAMs might play in improving the implementation and scope of IAM mandates
- addressing project impacts in sectors in which CSOs are identifying systemic issues (for example, hydropower and mining).

For the PCM, outreach prioritised how CSOs and the PCM can work together to promote accountability and ensure accessibility, how the PCM can enhance its effectiveness.

Civil Society Workshop on IFI Accountability (Amman, Jordan)

The PCM along with the Complaints Mechanism of the EIB - with the support of the Phenix Center for Economic and Informatics Studies - organised a workshop on IFI accountability in Amman on 24 May 2017. About 30 representatives of local civil society organisations (CSOs) from Jordan participated in the workshop to learn how the Independent Accountability Mechanisms (IAMs) can provide a voice to those affected by IFI-funded projects.

The workshop was aimed at sharing information about IAMs and exchanging views with CSOs about their experiences, including practical case studies, and listening to concerns as well as ideas about promoting accountability and redressing harm by submitting complaints to IAMs.

This workshop provided the IAMs and CSOs with an opportunity to exchange views on issues related to public and private sector development projects in Jordan. CSOs from Jordan learned how to file a complaint, what they can complain about and what they should expect as a result of raising a complaint.

Participants at the workshop stated that communities in Jordan face challenges arising from the pace of economic growth, competition for natural resources and climate risks, and IAMs together with CSOs have a major role to play in ensuring that IFIs meet the highest standards of transparency and accountability.
for those impacted by EBRD Projects, and an exploration of the challenges and opportunities faced by Complainants when submitting Complaints. Through these engagements, the PCM has developed a better understanding of the challenges faced by communities seeking to raise concerns about EBRD projects, and this will help inform the mechanism’s practices moving forward.

**Promoting an enabling environment for problem-solving**

Over the past couple of years, both internal and external stakeholders have highlighted that the PCM’s problem-solving function was underutilised. Although the PCM had received requests for problem-solving in the past, in many instances, Complainants and/or Clients questioned the potential value a dispute resolution process could bring to the situation on the ground. In 2017, a high number of Complaints led to the initiation of Problem-solving Initiatives. Accordingly, the PCM Office invested in efforts to scale up the Problem-solving function.

- To support parties’ capacity to engage in problem-solving, the PCM prepared *A Guide for Parties on using mediation effectively in the context of development finance*. This is a reference tool to help parties understand the language of dispute resolution in this context, and to provide a step-by-step overview of the process that may be expected. As a pilot, feedback from stakeholders was requested. This feedback will be taken into account in future iterations of the Guide.
- The PCM, in collaboration with the World Bank Group’s CAO and the Complaints Mechanism of the European Investment Bank, co-hosted a second regional capacity-building workshop for local mediators. The event, hosted in Yangon in May, aimed to increase local capacity support including in the EBRD countries of operations in Central Asia and the SEMED region for dispute resolution and problem-solving.
- A learning session for Bank staff was hosted by the PCM. This event was led by a representative of the organisation SOMO, who shared views on the use of company-community dialogue and joint problem-solving to enhance EBRD projects.

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**Asia Mediator workshop (Yangon, Myanmar)**

In May 2017, the PCM, together with the World Bank Group’s CAO and EIB-Complaints Mechanism, organised a regional workshop in Asia for dispute resolution professionals. Eighteen mediators from 10 countries including Turkey and Lebanon attended the workshop. Participants were identified following a selection process based on candidates’ mediation skills and experience. The aim of the workshop was to enhance mediators’ capacity in the area of community-company dispute resolution. The workshop covered principles and process steps related to mediation in the IAM context. Over the course of three days, participants engaged in a number of facilitated exercises and activities based on a fictional case study and case examples, with the aim of applying mediator’s skills and experience to different stages of a dispute resolution process relevant to IAMs.
PCM engagement with EBRD staff and management

The PCM must build credibility and trust with EBRD staff and management, and must strive to ensure that Project-facing teams have an understanding of how the mechanism works and what is expected of them, if Projects they are involved in are the subject of a Complaint to the PCM. In 2017, as part of enhancing understanding of the PCM, information meetings were held with staff at Headquarters as well as at the Sofia and Belgrade Resident Offices (ROs). PCM Experts also contributed to bolstering the understanding of the PCM through their engagement with EBRD management in the context of specific Complaints.

Additionally, the PCM Office created its own intranet page to house key information about the PCM. The PCM team published numerous posts on the intranet page to support increased awareness of PCM activities, and to share guidance on the Complaint-handling procedure. A PCM feature was added to the EBRD e-orientation course for new staff of the EBRD, and the PCM team conducted a survey of the EBRD ROs to better understand what information RO staff have and need on the PCM. ROs are often the first to receive information from stakeholders about project-related environmental and social impacts, and ensuring they have adequate knowledge of the PCM is essential.

The PCM also hosted a learning session for EBRD staff on using company-community dialogue and joint problem-solving to enhance EBRD projects. This session featured a representative of the organisation SOMO, who shared her experience in supporting a community in a mediation process led by the World Bank Group’s CAO. The learning session was well attended by Bank staff who, after the session, indicated they had a clearer picture as to how dialogue might enhance the business value of EBRD projects.

Stakeholder engagement survey

The PCM conducted a second annual stakeholder engagement survey for 2017, to gather perspectives on the PCM’s performance and to encourage stakeholder feedback beyond that relating to specific Complaints. Respondents, who included EBRD staff, Complainants, Clients and CSOs, raised many issues including; a lack of consistency in the way Complaints are handled by the PCM; the length of time the PCM takes to process a Complaint; concerns regarding PCM independence; security of Complainants; the need for more information about the PCM at the project level; the importance of site visits during Eligibility Assessment; and ensuring the EBRD applies the lessons learned from PCM cases in future Bank projects. Although only a small number of people responded, the survey nonetheless provides some insight into the PCM’s effectiveness from the perspective of PCM stakeholders and will be useful in the context of the PCM Review.

I was pleased that the Bank was able to respond to a PCM Complaint through a creative proposal of mediation. The mediation process was highly unusual for Serbia, the Bank’s client EPS and the complainants. Not only does mediation offer one-time solutions, we hope that Serbia and EPS will be interested and able to replicate such mediation procedures should other cases emerge. The process may become a useful tool which allows flexible and transparent solutions.

In the specific case, the results were positive for several families, who gained greater clarity on their future, and for the client, who was able to continue operations in accordance with their schedule.

Daniel Berg,
Director, Head of Serbia
PCM engagement in the IAM Network in 2017

Many IFIs have a citizen-driven accountability mechanism, referred to as an Independent Accountability Mechanism or IAM. Each IAM has a different mandate and scope of work. For example, unlike the PCM, some mechanisms might deal with corruption or procurement issues. However, IAMs are similar in that they receive submissions from external stakeholders about their institutions’ funded projects and are concerned with the environmental and social performance of their institutions.

IAMs are loosely organised into a network, bringing together international practitioners and experts in accountability, compliance and mediation, and corporate governance. The purpose of the network is to provide a platform for the exchange of knowledge and expertise, and to cooperate to enhance the effectiveness of the work of citizen-driven accountability mechanisms. Membership of the IAM Network is guided by a set of general principles, developed by member institutions.

In 2017, the PCM took an active role in both the IAM Standards and Good Practice working group, which examines common standards and good practice notes for the mechanisms, and the Outreach working group, which aims to coordinate joint efforts to promote accessibility of IAMs to impacted populations. As part of IAM efforts to promote greater accessibility, a video was produced, which describes how, through IAMs, IFIs promote development outcomes by providing an impartial, independent and transparent channel to address social and environmental concerns.

The 14th Annual Meeting of the IAM Network was hosted by the Black Sea Trade and Development Bank in Thessaloniki, Greece, from 28 to 30 August 2017. The first two days involved a working meeting between some 50 representatives of IAMs from 17 IFIs to exchange information and discuss matters related to their mediation and compliance work. Core issues discussed included the benefits and constraints associated with IAM collaboration on mediations and/or investigations; how to ensure effective accountability within financial-sector investments; and challenges faced in addressing reprisals against individuals and communities raising matters with mechanisms. The third day was devoted to an ongoing dialogue with some 50 international CSO representatives. Issues of common interest were discussed including how to ensure community access to IAMs and whether mediation processes can be rights-compatible.
5. PCM POLICY REVIEW

In accordance with paragraph 72 of the PCM Rules of Procedure, the PCM is reviewed by the EBRD Board of Directors every five years. The current PCM Rules of Procedure were adopted in 2014. Over the course of 2019, a revised policy for the mechanism will be developed, which will define the structure by which the mechanism will address environmental, social and information disclosure-related grievances from external stakeholders moving forward. The 2019 policy review is viewed as an opportunity to evaluate the effectiveness and ongoing relevance of the current PCM Rules of Procedure and to introduce revisions based on (i) feedback from external and internal stakeholders provided in recent years, and (ii) an examination of various Complaint-handling practices and approaches that promote effective accountability. The aim of the review is to develop a policy that fosters:

- effectiveness, efficiency and high performance in providing external accountability
- accessible and meaningful avenues for dispute resolution
- institutional learning on Environmental and Social Policy-related practices
- proactive approaches to address project-level grievances and conflict that is generated by environmental and social concerns.

In 2017, the PCM set the foundation for the policy review by commissioning an external benchmarking report, which provided an analysis of the PCM’s structure, functions and key procedures in comparison to IAMs at comparable IFIs.

Phase 1 of the PCM policy review includes public consultations on the 2014 PCM Rules of Procedure. Throughout 2018 and the first half of 2019, external and internal stakeholder feedback on the PCM will be collected through meetings with interested stakeholders, email submissions and formal consultations. The PCM invites interested parties to submit questions, provide their views or make a request to be added to the PCM subscription list, by writing to policyreviews2019@ebrd.com.
6. OUTLOOK FOR 2018

In the year ahead, the PCM will continue to focus on the activities summarised in this annual report. Priorities will include:

- Capacity building in relation to the PCM’s Problem-solving function, including developing further guidance for participants in a dispute resolution process, and designing and delivering a dispute resolution workshop for Bank staff. If possible, the PCM will co-convene a third capacity-building workshop for local mediators in an EBRD country of operations, as the identification of a base of qualified, capable local mediators to provide services at the project level remains essential for the PCM to deliver on its mandate.

- In the context of the 2019 PCM policy review, a consideration of substantive changes to the PCM Rules of Procedure, in order to address impediments to the mechanism’s efficiency and effectiveness. Concerns expressed in regards to the PCM’s structure and independence, as well as its effectiveness, will be taken into consideration.

- The ongoing enhancement of Complaint processing, including through the use of specialised expertise on an ad hoc basis as appropriate, and by way of the PCM Officer taking a more prominent role in the drafting of Eligibility Assessment reports.
## ANNEX 1: COMPLAINTS UNDER PROCESSING IN 2017

<table>
<thead>
<tr>
<th>Number</th>
<th>Project</th>
<th>Country</th>
<th>Registered</th>
<th>Eligibility Assessment</th>
<th>Site visit(s)</th>
<th>Compliance Review</th>
<th>Problem-solving</th>
<th>Site visit(s)</th>
<th>Outcomes</th>
<th>Monitoring</th>
<th>Closed</th>
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<tbody>
<tr>
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<td>CMI Offshore</td>
<td>Regional</td>
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<td>2017/09</td>
<td>BEH Bond Issue and Kozloduy International Decommissioning Support Fund</td>
<td>Bulgaria</td>
<td>18/10/2017</td>
<td>■</td>
<td>■</td>
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<tr>
<td>2017/08</td>
<td>Belgrade Public Transport and Traffic Infrastructure</td>
<td>Serbia</td>
<td>14/09/2017</td>
<td>■</td>
<td>■</td>
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<td>Azerbaijan</td>
<td>06/09/2017</td>
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<td>2017/06</td>
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<td>04/09/2017</td>
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<td>25/07/2017</td>
<td>■</td>
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<td>■</td>
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<td>2017/03</td>
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<td>Serbia</td>
<td>15/06/2017</td>
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<td>08/05/2017</td>
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<td>2017/01</td>
<td>Krnovo Wind Farm</td>
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<td>Problem-solving finalised</td>
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<td>Number</td>
<td>Project</td>
<td>Country</td>
<td>Registered</td>
<td>Eligibility Assessment</td>
<td>Site Visit(s)</td>
<td>Compliance Review</td>
<td>Problem-solving</td>
<td>Site Visit(s)</td>
<td>Outcomes</td>
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<td>Paravani</td>
<td>Georgia</td>
<td>04/01/2012</td>
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<td>2011/05</td>
<td>Boskov Most</td>
<td>FYR Macedonia</td>
<td>14/11/2011 &amp; 10/01/2012</td>
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</table>
ANNEX 2: 2017 EXPENDITURE

In accordance with the PCM Rules of Procedure, “[t]he Bank will provide budgetary resources to the PCM sufficient to allow all of the activities permitted by these Rules to be carried out.”

In 2017 the PCM expenditure was as follows:

<table>
<thead>
<tr>
<th>Expenditure*</th>
<th>Amount, GBP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consultancy fees (PCM Experts’ retainers and additional consultancy fees)</td>
<td>111,209</td>
</tr>
<tr>
<td>Complaints processing (travel, translation and interpretation)</td>
<td>24,572</td>
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<tr>
<td>Outreach and capacity building</td>
<td>16,785</td>
</tr>
<tr>
<td>IAMs related meetings</td>
<td>4,451</td>
</tr>
<tr>
<td>PCM experts training (travels, accommodation, hospitality)</td>
<td>15,625</td>
</tr>
<tr>
<td>PCM Policy review (benchmarking exercise)</td>
<td>4,168</td>
</tr>
<tr>
<td>Administrative costs (telephone, photocopies, publications)</td>
<td>2,894</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>179,705</strong></td>
</tr>
</tbody>
</table>

*Expenditure does not include salaries and benefits for staff.

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2 PCM Rules of Procedure, paragraph 68.
**Definitions and abbreviations**

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Bank or “EBRD”</strong></td>
<td>The European Bank for Reconstruction and Development.</td>
</tr>
<tr>
<td><strong>Client</strong></td>
<td>The entity or entities that is/are responsible, directly or indirectly, for carrying out and implementing all or part of a Project.</td>
</tr>
<tr>
<td><strong>Complainant</strong></td>
<td>The individual(s) or organisation(s), as the case may be, submitting a Complaint to the PCM.</td>
</tr>
<tr>
<td><strong>Complaint</strong></td>
<td>The written request submitted by a Complainant to the PCM under these rules of procedures.</td>
</tr>
<tr>
<td><strong>Compliance Review (CR)</strong></td>
<td>The process to determine whether the Bank has complied with a relevant EBRD Policy in respect of a Project.</td>
</tr>
<tr>
<td><strong>CSO</strong></td>
<td>Civil society organisation.</td>
</tr>
<tr>
<td><strong>Eligibility Assessment (EA)</strong></td>
<td>The process of determining whether a registered complaint is eligible for a Compliance Review and/or a Problem-solving Initiative, or neither.</td>
</tr>
<tr>
<td><strong>IAMs</strong></td>
<td>Independent Accountability Mechanisms.</td>
</tr>
<tr>
<td><strong>Management Action Plan (MAP)</strong></td>
<td>The Bank Management Action Plan developed in response to the recommendations contained in the Compliance Review report.</td>
</tr>
<tr>
<td><strong>PCM Experts</strong></td>
<td>The experts on the roster of experts and, where appointed, the expert appointed on an ad hoc basis to assist or carry out an Eligibility Assessment, a Problem-solving Initiative or a Compliance Review.</td>
</tr>
<tr>
<td><strong>PCM Officer</strong></td>
<td>The person responsible for the day-to-day administration of the PCM, including receipt of Complaints, registration, eligibility and problem-solving functions.</td>
</tr>
<tr>
<td><strong>PCM Register</strong></td>
<td>The public log on the PCM web site listing all registered Complaints and their status.</td>
</tr>
<tr>
<td><strong>Problem-solving Initiative (PSI)</strong></td>
<td>The process carried out to assist in the resolution of the issues underlying an eligible complaint, including mediation, conciliation, dialogue facilitation or independent fact-finding.</td>
</tr>
<tr>
<td><strong>Project</strong></td>
<td>A Bank-financed activity for which a Project Summary Document (PSD) is prepared under the Bank’s Public Information Policy or a Bank activity that is subject to the application of a Relevant EBRD Policy with the exception of those activities that are expressly exempted from the application of these rules by a Board decision.</td>
</tr>
<tr>
<td><strong>Project Complaint Mechanism (PCM)</strong></td>
<td>The EBRD’s accountability mechanism governed by the PCM rules of procedure.</td>
</tr>
<tr>
<td><strong>Relevant EBRD Policy</strong></td>
<td>2014 Environmental and Social Policy and Performance Requirements, 2008 EBRD Environmental and Social Policy and Performance Requirements, previous EBRD environmental policies, and/or project specific provisions of the 2014 Public Information Policy and previous Public Information Policies and any Policies approved in the future by the Board of Directors designated to be included in this definition.</td>
</tr>
<tr>
<td><strong>Relevant Parties</strong></td>
<td>The parties with a direct interest in a Complaint, including, but not limited to, the Complainant and/or the authorised representative, if any, the relevant Bank department, team, or unit, the Client, and/or any other project financiers.</td>
</tr>
</tbody>
</table>