



Independent
Project
Accountability
Mechanism

MAP Monitoring Report V

Monitoring Period: August 2022 – January 2023

Nenskra Hydro Power Project
EBRD Project Number 46778
Case 2018/08

May 2023

Note: This case was received under the Project Complaint Mechanism (PCM) - the former accountability mechanism of the EBRD - in accordance with the [2014 PCM Rules of Procedure](#) and the Monitoring stage was initially conducted under PCM Rules and Procedures.

Effective 1 July 2020, the Project Complaint Mechanism was replaced with the [Independent Project Accountability Mechanism](#) (IPAM), brought into effect through the [2019 Project Accountability Policy](#). Under the Policy's provisions for case transition, monitoring of the Nenskra Hydro Power Project Management Action Plan from the date above is undertaken in alignment with the requirements of the [2019 Project Accountability Policy](#) and in accordance with the adopted [MAP Monitoring Plan](#).

IPAM is the independent accountability mechanism of the EBRD. It reviews environmental, social, and Project disclosure-related concerns raised by Project-affected people and civil society organisations. IPAM can address concerns through two avenues: i) Problem-solving, which supports dialogue between Complainants and Clients to resolve environmental, social and public disclosure concerns without attributing blame or fault; or ii) Compliance Reviews, which determine whether the EBRD has complied with its Environmental and Social Policy and Access to Information Policy in relation to the Project.

For more information about IPAM, please contact us at ipam@ebrd.com or visit the [IPAM webpage](#).

Contact information The Independent Project Accountability Mechanism (IPAM) European Bank for Reconstruction and Development 5 Bank Street London, E14 4BG Telephone: +44 (0)20 7338 6000 Email: ipam@ebrd.com	How to submit a complaint to the IPAM Concerns about the environmental and social performance of an EBRD Project can be submitted by email, in writing, or via the online form at:  https://www.ebrd.com/project-finance/ipam.html
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Unless otherwise indicated capitalised terms used in this report are those as set forth in the 2019 Project Accountability Policy.

List of Abbreviations

Abbreviation	Long Form
EBRD	European Bank for Reconstruction and Development
ESIA	Environmental and Social Impact Assessment
ESAP	Environmental and Social Action Plan
ESD	EBRD Environmental and Social Department
ESP	EBRD Environmental and Social Policy
IPAM	Independent Project Accountability Mechanism
IP	Indigenous Peoples
Lenders/ Sponsors	Means the financiers of the Project, which include the European Bank for Reconstruction and Development (EBRD), European Investment Bank (EIB), the Asian Development Bank (ADB), the Asian Infrastructure Investment Bank (AIIB), the Korean Development Bank (KDB) and the Korea Trade Insurance Corporation (K-SURE)
MAP	Management Action Plan
MDB	Multilateral Development Bank
OGC	Office of the General Counsel
PAP or Policy	IPAM Project Accountability Policy
PCM	Project Complaint Mechanism
Project	Nenskra Hydro Power Project (46778) in Georgia

Executive Summary

On 31 May 2018, the Project Complaint Mechanism (PCM) received a Complaint from community members of Chuberi, Georgia, co-submitted with CEE Bankwatch Network and Green Alternative (the Complainants), related to the [Nenskra HPP \(46778\)](#) Project in Georgia.

The PCM Expert responsible for the Compliance Review identified non-compliance across five (5) of the 2014 Environmental and Social Policy Performance Requirements and provided eleven (11) Project-level and systemic recommendations to address that non-compliance.

In accordance with the 2014 PCM Rules of Procedure, EBRD Management prepared a Management Action Plan (MAP) to respond to the Expert's findings and recommendations. Management sought Audit Committee endorsement of the draft MAP on 16 July 2020. Audit Committee members requested some minor modifications, after which the Board under the non-objection procedure approved a final version in August 2020 that includes eleven (11) actions to be implemented.

The Compliance Review Report and the approved MAP were disclosed on the [IPAM case registry](#) on 11 August 2020 thus initiating the MAP monitoring stage. During that period, IPAM produced a [MAP Monitoring Plan](#) disclosed in November 2020 on the [IPAM case registry](#), to guide the monitoring process in order for IPAM to deem the actions completed. Since then, four monitoring reports have been disclosed by IPAM as referenced in the Compliance Process Outputs and Timeline table below.

This report covers the **fifth monitoring period**, which runs from August 2022 to January 2023. According to the approved MAP, the implementation would have been completed by now. However, given delays in the Project, the MAP timeframe has shifted. For the [third monitoring report](#), Management provided IPAM with updated timeframes for the delayed actions 2, 4, 6, 7, 8, 9, and 10.

Based on IPAM's monitoring of actions and requirements for completion of each of the actions as outlined in the MAP implementation monitoring plan, **IPAM has determined that only Action 8 (partially), 9 and 11 (a recurring action) can be deemed completed in this monitoring period.**

The actions that remain open and to be monitored are:

- **Management Action 2** - the PR7 (Indigenous People) guidance note has been finalized and reviewed by the Board but is pending disclosure. **Action not completed - Monitoring to continue.**
- **Management Action 4.iii** – the guidance note on gender issues is in the drafting process and training is pending. **Action not completed - Monitoring to continue.**
- **Management Action 5** - At the time of MAP approval Management anticipated that this item will be closed within 24 months (August 2022), subject to cooperation by all Parties and subject to Covid-19 restrictions imposed by national authorities. However, in the previous monitoring period Management informed IPAM that the action is dependent on the Project status. IPAM confirmed that since 2021, works on the action have been on hold. **Action not completed - Monitoring to continue.**
- **Management Action 6** – The Cumulative Impact Assessment has been updated and reviewed by IPAM but disclosure is still pending. **Action not completed - Monitoring to continue.**
- **Management Action 7** – Assessment prepared and disclosed to interested International Financing Institutions but pending public disclosure. **Action not completed - Monitoring to**

continue.

- **Management Action 8** - IPAM reviewed the final version of the Gender Impact Assessment and Action Plan and confirmed that it addresses the Compliance Review recommendation. The second element of Action 8, the Technical Cooperation project is still pending due to its dependence on the Project cycle. **Action not completed - Monitoring to continue.**
- **Management Action 10** – IPAM has reviewed the final version of the Cultural Heritage Impact Assessment and Cultural Heritage Management Plan. However, its implementation is pending due to the project cycle. **Action not completed - Monitoring to continue.**
- **Management Action 11** – Updates were received for this monitoring period but this is a recurrent action. **Monitoring to continue for the next monitoring period.**

COMPLIANCE PROCESS OUTPUTS AND TIMELINE

S.No.	ACTIVITY	TIMELINE
1.	Compliance Review completion	July 2020
2.	Management Action Plan approval	August 2020
3.	MAP Monitoring Plan	November 2020
4.	1st monitoring report covering period September 2020 – January 2021	April 2021
5.	2nd monitoring report covering period February 2021- July 2021	November 2021
6.	3rd monitoring report covering August 2021- January 2022	May 2022
7.	4th monitoring report covering February – July 2022	November 2022
8.	5 th monitoring report covering August 2022 - January 2023	May 2023

For the sixth monitoring period, IPAM will monitor all remaining opened Management Actions.

The next monitoring report is scheduled for disclosure at the end of August 2023.

1. Introduction

On 31 May 2018, the PCM received a Complaint from community members of Chuberi, Georgia, co-submitted with CEE Bankwatch Network and Green Alternative (the Complainants), related to the [Nenskra HPP \(46778\)](#) in Georgia.

The PCM Expert responsible for the Compliance Review identified non-compliance across five (5) of the 2014 Environmental and Social Policy Performance Requirements and provided eleven (11) Project-level and systemic recommendations to address said non-compliance. The Expert found the Bank to be non-compliant with Performance Requirement 7, 1, 5, 8 and 10 of the 2014 ESP, which have been outlined in the [Compliance Review Report](#).

In accordance with the 2014 PCM Rules of Procedure, EBRD Management prepared a Management Action Plan (MAP) to respond to the Expert's findings and recommendations. Management sought Audit Committee endorsement of the draft MAP on 16 July 2020. Audit Committee members requested some minor modifications, after which the Board under the non-objection procedure approved a final version in August 2020.

The Compliance Review Report and the approved Management Action Plan (MAP) were disclosed on the [IPAM case registry](#) on 11 August 2020 thus initiating the MAP monitoring stage.

On 1 July 2020, the 2019 Project Accountability Policy (PAP) became effective thus superseding the 2014 Rules of Procedure. Consequently, as per the transitional provisions established in section V of the PAP, monitoring of the Nenskra MAP implementation fell under the responsibility of IPAM as per the PAP provisions for monitoring (paragraph 2.8 of the PAP).

IPAM produced and disclosed a [monitoring plan](#) for this case based on the approved MAP. Given persistent delays in implementation of both project and systemic actions during the first 18 months of monitoring, IPAM requested from Management a revised timeframe. Management submitted a revised timeframe in the [third monitoring period](#) and IPAM is currently monitoring implementation under that revised timeframe.

This document is the fifth monitoring report, covering IPAM monitoring activities in relation to relevant Management actions for the period August 2022 to January 2023.

2. Monitoring Report

2.1 Actions subject to monitoring in the period

The current monitoring period includes actions that remain pending from previous periods (Actions 2, 4 (iii), 5, 6, 7, 8, 9, and 10); and one recurrent action (Action 11).

2.2. Monitoring Activities undertaken during the period

During the period, and based on the actions to be monitored, IPAM requested information from the Management, conducted a meeting with the Requesters and reviewed the relevant documents submitted to consideration.

Management updates

Management informed IPAM that the Project continues to face delays, which affects the completion of some of the MAP actions. However, several actions were undertaken by the Client and have progressed, particularly those focused on assessments and report updates.

Particularly, Bank Management shared with IPAM the final versions of the *Cumulative Impact Assessment (CIA)* related to Action 6, the *Gender Impact Assessment and Action Plan* in Action 8, the *Land Acquisition and Livelihood Restoration Framework (LALRP)* related to Action 9 and the *Cultural Heritage Impact Assessment and Cultural Heritage Management Plan* in Action 10. It also provided updates on capacity building activities for Client's staff.

However, despite the completion of above-mentioned reports, in light of the ongoing uncertainties and delays surrounding the project, its status and future nature, Management stated that they are not able to disclose them at this point.

Further detail on each action can be found in the upcoming sections.

Meeting with Requesters

IPAM engaged with the Requesters' CSO advisers in a virtual session. During the meeting, they highlighted the lack of engagement of the Company with the local communities. In addition, they commented that neither the community nor the CSOs have been invited to comment or provide inputs on the different reports produced by the Client, which has been a persistent issue.

From their perspective, IPAM could not consider as completed the actions related to the assessments and plans submitted by Management (the Cumulative Impact Assessment (CIA), the Gender Impact Assessment and Action Plan, the Land Acquisition and Livelihood Restoration Framework (LALRP) and the Cultural Heritage Impact Assessment and Cultural Heritage Management Plan), as they had not been consulted with the communities.

2.3. Monitoring Conclusions and Next Steps

This report covers the fifth monitoring period, August 2022 to January 2023 and reflects the status of MAP implementation at that time. Any actions implemented from February 2023 will be recorded in the next monitoring report.

As a result of the monitoring, IPAM considers that only Action 8 (partially), 9 and 11 (a recurring action) can be considered completed in this monitoring period.

IPAM notes the progress on preparation of numerous reports that were ongoing despite the Project delays. However, it is regrettable that they will not be disclosed until the Project's further progress.

IPAM also notes the concerns of the Requesters regarding the level of consultation and information disclosure to complete the MAP actions. However, in determining the completion of MAP Actions, IPAM was guided by specific recommendations presented by the Compliance Review, the MAP Actions and the IPAM Monitoring Plan, which specify the requirements for completion of the actions. After the review of materials provided by the Bank's Management, which included stakeholder consultation data, IPAM has concluded that Action 8 (partially) and 9 can be closed at this stage.

IPAM also notes the issue of MAP implementation delays. Although it is understandable that actions related to Project-specific recommendations may face delays due to the Project cycle, IPAM notes that two of the actions were aimed at addressing systemic recommendations and are also seriously delayed. IPAM will raise the issue of the delays in its periodical updates to the EBRD Board.

Next Steps

For the fifth monitoring period IPAM will monitor Management Actions 2, 4 (iii), 5, 6, 7,8,10 and 11 (recurring action).

The next monitoring report is scheduled for disclosure at the end of August of 2023.

2.4 Table 1: MAP Implementation Progress - Actions due in the current monitoring period, Actions remaining from previous monitoring periods and their current status

Table 2 shows those actions that were due during the current monitoring period and actions remaining from previous monitoring periods, the monitoring activities that IPAM would perform and the determination of completion, as per the criteria set in the PAP.

Action No.	EBRD Management Action Plan Commitment and Proposed Deadline for Completion	IPAM Proposed Monitoring Activity	IPAM monitoring activity due date	IPAM Requirement for determining completion	Status of Management Action Plan Commitment	Monitoring outcomes and decisions
2.	Undertake a gap analysis of the revised PR7 in the 2019 ESP and the new PR7 Guidance Note, currently under preparation, in light of this recommendation to ensure all elements are included. Finalise and publish the PR7 Guidance Note. Management Deadline: By end of first monitoring period (January 2021)	Review gap analysis and verification of Board review and disclosure process	July 2021 Revised timeframe provided: Q1 2023	- Gap analysis completed by the Management - PR7 Guidance note reviewed by the Board - PR7 Guidance note disclosed by Management	Not completed	The action is not deemed completed as the PR7 guidance has not been disclosed yet.
4.	(iii) Internal guidance on wider gender considerations based on 2019 ESP and associated Performance Requirements will be developed and ESD will be trained to assist in addressing gender issues/risks in projects. Management Deadline: By end of first monitoring period	- Review internal guidance note on inclusion of wider gender considerations - Request training records - One IPAM team member to participate in a training session	July 2021 Revised timeframe provided: Q3 2022	- Guidance note considered by IPAM - Receipt of training documents by IPAM - One IPAM team member participated in a training session	Not completed	The action is not deemed completed as the internal guidance is still under review of Management and has not been finalised and the training has not yet taken place.
5.	Consult with project stakeholders including the project sponsors, project lenders, relevant Department of the Government of Georgia and internationally and locally recognised experts in the field to define the appropriate next steps in the context of the project ESIA and the broader content of applicability of PR7 in Svaneti.	- Review of the ToR for Phase 2 - Review consultation reports - IPAM to participate as observer in the planned consultation meetings - Review the report on broader applicability of PR 7.	June 2022	- Engagement with Project Affected Svan, Client, GoG and CSOs has taken place. - IPAM participation as observer - Report considered by IPAM	Pending	At the time of MAP approval Management anticipated that this item will be closed within 24 months (August 2022), subject to cooperation by all Parties and subject to Covid-19 restrictions imposed by national authorities. However, Management informed IPAM that the action is dependent on the Project status.

Action No.	EBRD Management Action Plan Commitment and Proposed Deadline for Completion	IPAM Proposed Monitoring Activity	IPAM monitoring activity due date	IPAM Requirement for determining completion	Status of Management Action Plan Commitment	Monitoring outcomes and decisions
						IPAM confirmed that since 2021, works on the action have been on hold.
6.	Management will continue to engage with the project sponsors and their advisors to ensure that the Cumulative Impact Assessment (CIA) be updated, and disclosed, to incorporate the recommendations of the PCM Compliance Report. Management Deadline: 12 months from the loan signing	Review updated CIA and evidence of disclosure	January 2022 Revised timeframe provided: Q1 2023	- Updated CIA reviewed by IPAM - Updated CIA disclosed by the Management	Not completed	The action is not deemed completed as the assessment has not been disclosed.
7.	Management will continue to engage with the project sponsors and their advisors to address the alternatives assessment in parallel with MAP Item #3. Management Deadline: August 2021	Review reported actions	September 2021 Revised timeframe provided: Q1 2023	Management reports considered by IPAM	Not completed	The action is not deemed completed as the assessment has not been disclosed.
8.	Implementation of the proposed Technical Cooperation Project is anticipated to address the findings as they pertain to gender and inclusion. The Terms of Reference for the TC project will be shared with the PCM office and will include a two-stage approach, the first being the additional layer of gender impact assessment and the second, the originally envisaged technical cooperation programme to go beyond compliance with the EBRD's ESP. Management Deadline: Phase I (Gender impact assessment) – August 2021 Phase II – TC project -24 months after loan signing	- Review the gender impact assessment report to assess gender impacts in relation to influx of migrant workers, potential introduction of trafficking and forced prostitution in accordance with GIP	End 2021 October 2021 Revised timeframe provided: Q3 2022 for GIA and no timeframe	- Gender impact assessment report and action plan considered by IPAM - TC program TOR received by IPAM	GIA and Action Plan completed TC component not completed	IPAM reviewed the final version of the GIA and Action Plan and confirmed that it addresses the CR recommendation. The disclosure of the report is pending due to the project cycle. However, as the CR recommendation did not require the disclosure, IPAM decided to close this part of the Action 8.

Action No.	EBRD Management Action Plan Commitment and Proposed Deadline for Completion	IPAM Proposed Monitoring Activity	IPAM monitoring activity due date	IPAM Requirement for determining completion	Status of Management Action Plan Commitment	Monitoring outcomes and decisions
			provided for TC project			The second element of Action 8, Technical Cooperation project has been pending due to its dependence on Project cycle.
9.	Management will continue to engage with the borrower and their advisors to ensure that the LALRP is updated to incorporate the recommendations of the PCM Compliance Review including deletion of the references made to specific thresholds in the entitlement matrix. Management Deadline: By end of first monitoring period	Review of updated LALRP that will be prepared based on the design changes to address all potentially affected land owners/users.	End 2021 Revised timeframe provided: Q3 2022	LALRP reviewed and confirmed that it incorporates CR recommendations	Completed	IPAM reviewed the final version of the LALRP update report and confirmed it addresses the CR recommendation. The disclosure of the report is pending due to the project cycle. However, as the CR recommendation did not require the disclosure, IPAM decided to close the action as completed.
10.	Management will continue to engage with the Client and their advisors to ensure that the cultural heritage impact assessment is updated to incorporate the recommendations of the PCM Compliance Review. The updated assessment will form the basis of the EPC management plans, which will be further revised during the early project implementation period. Management Deadline: 12 months from MAP approval. (if travel restrictions are lifted)	- Review the updated cultural heritage impact assessment and Cultural Heritage Management Plan. - IPAM will also consider attending planned consultation meetings with project-affected people to observe their feedback. - Review progress update report on implementation of the Cultural Heritage Management Plan. IPAM to organise a meeting with Management if required. - Review of monitoring reports on Community Investment Projects designed to support	End 2021 August 2021 January 2022 Revised timeframe provided: Q3 2022	- Cultural heritage impact assessment report and Cultural Heritage Management Plan received - Monitoring report received confirming the implementation of the Cultural Heritage Management Plan requirements by the project team. - Community Investment Programme monitoring reports received confirming additional projects to support cultural heritage. - Stakeholder engagement records received.	Not completed	IPAM reviewed the final version of the Cultural Heritage Impact Assessment and Cultural Heritage Management Plan. The action is not deemed completed as the assessment has not been disclosed.

Action No.	EBRD Management Action Plan Commitment and Proposed Deadline for Completion	IPAM Proposed Monitoring Activity	IPAM monitoring activity due date	IPAM Requirement for determining completion	Status of Management Action Plan Commitment	Monitoring outcomes and decisions
		Cultural Heritage beyond impact management				
11.	Management has engaged with the Client to undertake an environmental and social governance review and assess the project capacity requirements against the various project commitments to ensure full uptake and implementation of the environmental and social requirements. The results of this assessment will be shared with the PCM office as it progresses. Management Deadline: August 2021 and periodically until project closure	Request a periodic update on outcomes and measures established.	From August 2021 and until last Monitoring Report	Update received	Completed for this monitoring period	Update received