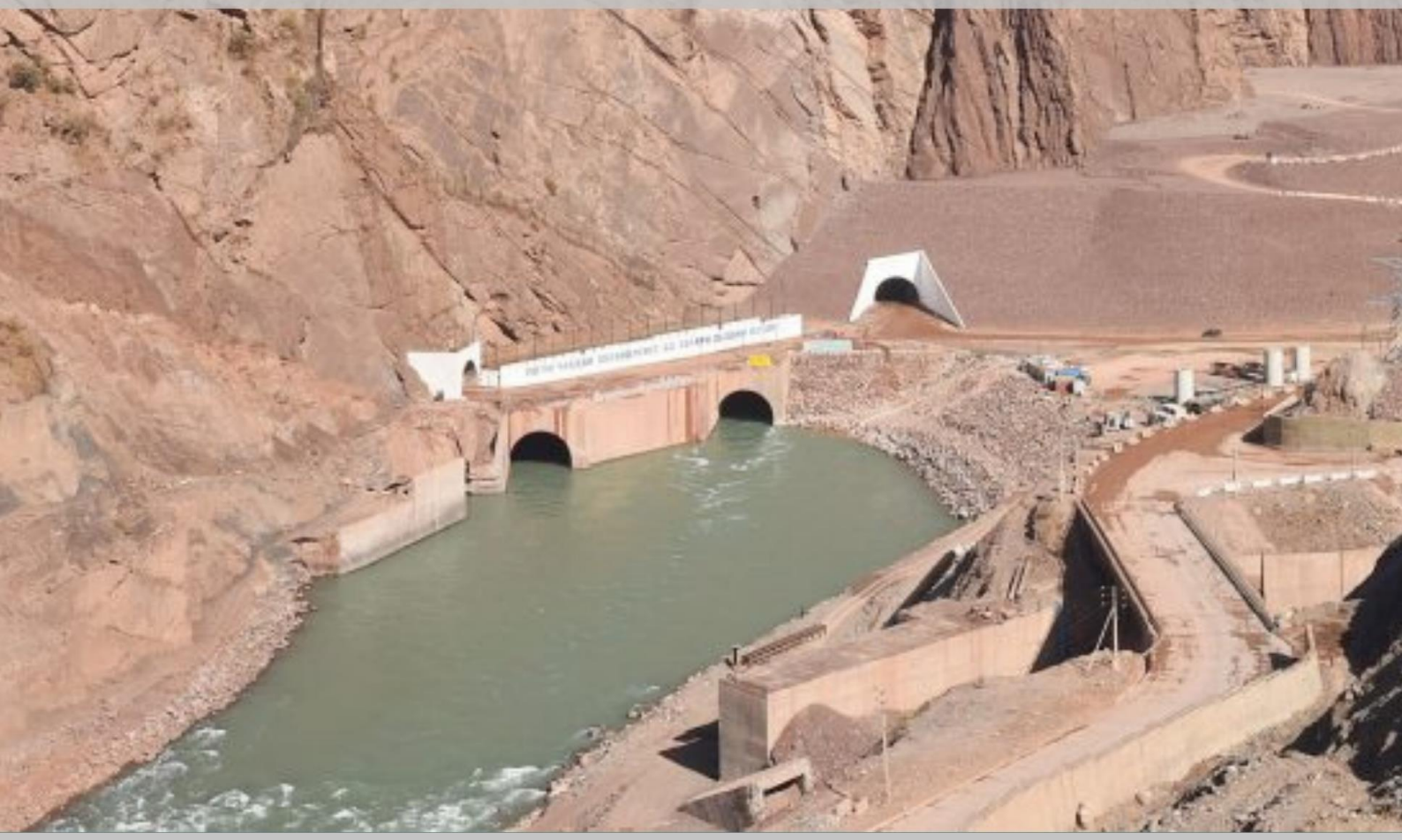
How to interact with development banks lending to hydropower projects in Central Asia

A toolkit for civil society activists



CEE Bankwatch Network

RIVERS WITHOUT BOUNDARIES

2025

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Do you have any feedback? Please send it to our email: coalition@riverswithoutboundaries.org

The Critical Ecosystem Partnership Fund is a joint initiative of l'Agence Française de Développement, Conservation International, the European Union, the Global Environment Facility, the Government of Japan and the World Bank. A fundamental goal is to ensure civil society is engaged in biodiversity conservation.

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Introduction

Water is the basis of all life on earth, yet it is increasingly imperilled – by the global climate emergency causing droughts and floods, by over-use for irrigation, by pollution, including from wastewater, agri-chemicals and plastic, and by deforestation, biodiversity destruction and land degradation, which among others diminishes the ecosystem's ability to store water.[1] Sustainable water management is central to increasing the resilience of societies and ecosystems by preventing pollution and wastage, by increasing natural water storage to lessening the impacts of droughts and floods and by enabling the storage of carbon dioxide, whether in forests, seagrass, mangrove soils or peat bogs.

To a large extent, it is clear what actions need to be taken in order to achieve these goals and increase humanity's chances of surviving the climate emergency. Yet too often, governments and companies are still doing the opposite, trying to tackle 21st century problems using 20th century ideas – many of which exacerbated the problems in the first place.

Nowhere is this more clear than in the hydropower sector. Although harnessing the power of water historically has undoubtedly provided electricity to millions of people who may not have had it otherwise, it has also resulted in millions of people being torn away from their land, loss of access to water for agriculture, massive declines in water quality and biodiversity, greenhouse gas emissions from reservoirs, disruption of silt transportation and increased coastal erosion, and transboundary water disputes.[2] Although the number of large dams being built nowadays is much smaller than their heyday in the mid-1950s to the 1980s,[3] many of those still planned are precisely the most expensive and damaging projects that could not be completed before.

This toolkit is therefore aimed primarily at civil society organisations (CSOs) tackling the construction of dams or other unsustainable water infrastructure, and is focused on Central Asia as a region with a series of highly problematic dam projects still planned. As the region does not have an established culture of public consultation and participation in decision-making, those seeking to raise concerns need to address them to as wide a range of stakeholders as possible, including international institutions, in order to be heard.

One route which has proven crucial in campaigns on dams in various parts of the world is engaging with project financiers such as the multilateral development banks. However, communicating with such institutions is far from intuitive due to a complex web of standards, document types, procedures and endless acronyms. The toolkit therefore aims to aid civil society organisations in engaging with financiers or potential financiers of harmful infrastructure projects, particularly those with major impacts on rivers, such as hydropower projects.

The toolkit covers the following international financial institutions:

[1] For more information, see e.g. United Nations, Five threats to the water that sustains our farms, *United Nations,* 10 July 2022.

[2] For an overview of the history of dam-building and some of its impacts, see for example the World Commission on Dams, Dams and Development - A New Framework, *Earthscan Publications Ltd*, 2000.

[3] Duminda Perera et al, Ageing Water Storage Infrastructure: An Emerging Global Risk, *United Nations University*, January 2021, DOI:10.13140/RG.2.2.29149.44003

- The European Investment Bank (EIB) is an EU institution based in Luxembourg which invests in most areas of the world, focusing both on the public and private sector.
- The European Bank for Reconstruction and Development (EBRD), based in London, opened in 1991 to support the transition to a market economy in eastern Europe and the former Soviet Union. It focuses mainly, but not exclusively, on the private sector and has now expanded to many other countries as well.
- The World Bank Group includes five institutions:
  - the International Bank for Reconstruction and Development (IBRD);
  - the International Development Association (IDA);
  - the International Finance Corporation (IFC);
  - the Multilateral Investment Guarantee Agency (MIGA) and
  - the International Centre for Settlement of Investment Disputes (ICSID).
- The 'World Bank' consists of the IBRD and IDA, with IDA focusing on the poorest countries (including the Kyrgyz Republic, Tajikistan and Uzbekistan), while the IBRD lends to middle-income and creditworthy poorer countries (Uzbekistan is covered by both IDA and the IBRD, and Mongolia, Turkmenistan and Kazakhstan by the IBRD). The IFC focuses on lending to the private sector, while MIGA only issues loan guarantees, not the loans themselves, and the ICSID is an arbitration body, not a development financing institution. This toolkit covers the World Bank and IFC as the main project financing institutions.
- The Asian Development Bank (ADB), based in Manila, was set up based on a resolution at a Ministerial Conference held by the United Nations Economic Commission for Asia and the Far East in 1963. It opened in 1966 as a financial institution that would be Asian in character and foster economic growth and cooperation in what was then one of the poorest regions in the world.
- The Asian Infrastructure Investment Bank (AIIB) is the newest of the international financial institutions. Led by China and headquartered in Beijing, it opened in 2016 with 57 founding members and by the end of 2023, this had grown to 109.
- The Export-Import Bank of China (China Eximbank or CHEXIM) is a state-funded and state-owned policy bank, directly under the leadership of the State Council and dedicated to supporting China's foreign trade, investment and international economic cooperation across the world.
- The China Development Bank (CDB) was established in 1994, and is also a state-funded and state-owned development finance institution. It is primarily dedicated to supporting China's economic development in key industries and under-developed sectors but also operates globally. Like the China Eximbank, it is directly overseen by the State Council and they both are often called 'China's policy banks'.

The first sections of this toolkit provide a brief comparative overview of these banks' standards, contact details and opportunities for civil society engagement. These are followed by information on mechanisms which deal with formal complaints at the banks. The China Eximbank and other Chinese financial institutions are presented separately, due to large differences between their ways of working and those of international financial institutions.

The latter part of the toolkit then seeks to share experience from other civil society organisations, based on projects in eastern Europe, the Caucasus and Central Asia, which are presented as a series of case studies.

How to find out about project financing

All of the banks covered by this toolkit have lists of their projects available online, but they all have different rules on disclosure. Some publish project summaries well in advance of the approval decision being made, whereas others make relatively frequent use of derogations to delay or prevent project information being published. Private sector projects are sometimes subject to different disclosure rules than public sector ones, allowing them to benefit from delayed disclosure or none at all.

Banks' information on planned and financed projects					
EIB	EBRD	World Bank	IFC	ADB	AIIB

Access to project information from the banks is a huge topic that would need a whole toolkit of its own, but the main point is that by the time a bank publishes information about a project on its website, it has usually – but not always – passed a number of internal procedures and is quite advanced in the decision-making process. So in order to influence a bank's decision-making, it is preferable to approach the bank before the project summary is even published.

This means that other ways need to be found to establish when banks are potentially interested in a planned project. For large projects, such information is often available in the media, as governments are keen to demonstrate that their plans are realistic and have funding secured. Other potential sources of information are the project promoters' websites or annual reports and banks' country strategies, for those banks which have them.

Some banks have established special funds to support project preparation, which surely indicates their interest in supporting a given project. For example the AIIB separately reports the award of grants from the Project Preparation Special Fund (PPSF) and four other funds to support the preparation of bankable projects for AIIB's less developed members, conduct transboundary assessments, etc.

The International Accountability Project has also established an online Early Warning System database in order to disseminate information on projects as soon as possible.

It often happens that governments or project promoters claim that financing will come from a certain source, while the banks or funds deny it, so do not be surprised by this. Sometimes it is because the banks are not yet ready to admit they are considering financing, but sometimes governments are simply not telling

the truth. So if a bank says it is not considering financing a project, but does not seem sure that it will not do so in the future, it may still be worth sending them further information.

The banks' institutional set-up for dialogue with civil society organisations

The approach taken by international financial institutions to communicating with CSOs differs significantly, with some expecting the majority of communication to take place via the bank's country offices, and some trying to direct almost all communication via a specific department. They also vary in how willing they are to meet with civil society representatives and in the frequency of events organised for CSOs.

The EIB: Perhaps surprisingly, the Luxembourg-based EIB is the most centralised of the banks presented in this toolkit where interaction with CSOs is concerned. Its Civil Society Division is the main point of contact between the EIB and civil society,[4] and the bank does not readily share other departmental contacts, which makes it difficult to engage in depth with the bank on issues of concern. It also does not have local offices in Central Asia.[5]

It holds a seminar for CSOs to meet with its Board of Directors once a year,[6] but unlike most other international financial institutions, it does not hold large annual meetings with CSO events included. Specific meetings with staff can be organised via the Civil Society Division, but this does not happen very regularly. Other opportunities arise to meet EIB staff at various events, but this is hard to predict. The main opportunities to engage are during consultations organised by the bank about policies such as the safeguards or transparency policies. However, the latter are not meant for discussions on specific projects, so if CSOs wish to discuss EIB-financed projects, they need to contact the bank proactively.

The EBRD: The EBRD has a Civil Society Engagement Unit whose role is to facilitate communication between the bank and CSOs.[7] It is usually copied in communication between bank staff and CSOs but it does not play such a strong gatekeeper role as the EIB Civil Society Division. In addition, the EBRD has many more local offices than the EIB, including in all Central Asian countries – sometimes more than one per country,[8] so it is possible to initiate communication with the bank in-country. Another important point of contact is the Environmental and Social Department, which assesses the Bank's projects' compliance with the environmental and social policy.

Individual meetings can be organised with EBRD staff at country offices, online or at the London headquarters. The EBRD's annual meeting, which is held in a different city each year, also includes a civil society programme featuring different thematic meetings and a meeting with the president and the Board of Directors.[9] The President and Board also sometimes organise visits to the countries of operations and hold short meetings with CSOs in order to inform the bank's country strategies.

[4] European Investment Bank, Civil Society Division, undated, accessed 16 January 2024.

[5] European Investment Bank, Our Offices, undated, accessed 16 January 2024.

[6] See for example: EIB, EIB Board Seminar with Civil Society 2023, undated, accessed 16 January 2024.

[7] For more on how the EBRD engages with civil society, see EBRD, Civil Society Engagement Overview, undated, accessed 16 January 2023.

[8] For a list of EBRD offices, see EBRD, Where we are, undated, accessed 16 January 2024.

[9] EBRD, Events and Communications, undated, accessed 16 January 2024.

The World Bank/IFC: The World Bank and IFC do not have a centralised approach to communication with CSOs, and can be approached via their country offices, which they usually share.[10] For concerns about specific projects, sometimes the project documents available on the World Bank and IFC's websites mention the names of responsible staff, but it can sometimes be difficult to identify these people and obtain their contact information, in which case going via the local office might help. In practice it is usually harder to reach IFC staff than World Bank ones, but again local offices should help.

The World Bank has quite intensive interaction with CSOs. It consults CSOs during the development of country partnership strategies, as well as organising different consultations. It has a Civil Society Policy Forum working group that together with World Bank and International Monetary Fund (IMF) staff prepares the agenda for the annual meetings. Individual CSOs also can request specific sessions under the CSO programme and the President of the World Bank and IMF Managing Director usually have a joint meeting with CSOs during the annual meetings. The board of directors also meets separately with CSOs during the annual meetings.[11]

The ADB: The ADB has resident missions in all Central Asian countries,[12] and as with the World Bank and IFC, each resident mission has a standard function to manage relations with civil society. In most offices, a staff member is appointed to serve as NGO/civil society liaison.[13] Another entry point for CSOs is the Climate Change and Sustainable Development Department (CCSD), which serves as an anchor for sector-based and thematic strategic directions in key areas of ADB operations, including energy, environment, gender, governance, health, poverty alleviation, and transport. The CCSD advises and supports management and other departments to integrate thematic agendas across all ADB operations.

The ADB has an NGO and CSO centre but this does not serve as gatekeeper for CSO contacts with ADB. It can help and facilitate connections between CSOs and relevant staff members in cases in which direct relations have not yet been established. It also provides background briefings for staff members meeting with CSO representatives.[14]

If CSOs wish to meet staff, they can request it directly or ask the NGO and Civil Society Center to help arrange it. During the ADB's annual meeting there is also a dedicated civil society programme, that includes meetings with the president, board of directors, and department heads. CSOs can request or propose specific sessions for AGMs.

The AIIB: The AIIB has no local offices in Central Asia, so all interactions go via its headquarters in Beijing. It mainly contacts CSOs through its Communications Department, which usually has one dedicated staff member for CSO matters. This Civil Society Officer serves as the senior point of contact for CSO representations to the AIIB and works with the AIIB staff to develop responses to CSOs. This staff member

[10] World Bank, Where we work, undated, accessed 16 January 2024. Country office staff and contacts are included in the country pages.

[11] World Bank, Civil Society, undated, accessed 16 January 2024.

[12] Asian Development Bank, Where we work, undated, accessed 15 January 2024.

[13] Their contacts can be found at: Asian Development Bank, Where we work, undated, accessed 15 January 2024.

[14] Asian Development Bank, ADB and Civil Society, undated, accessed 15 January 2024.

often changes. The communications department reports to the Vice President and Corporate Secretary, who oversees communication with key external stakeholders, including CSOs.

Historically CSOs have also communicated with different departments and project managers, whose emails are available in project profiles. The Bank's Annual Meetings, which are held in a different location each year, also usually include a special closed-door session where the AIIB President and top managers meet with CSOs.

Basic contact details for first contact by civil society organisations

Bank	First point of contact and email	Other contact details
EIB	Civil Society Division, which also includes the Bank's Infodesk civilsociety@eib.org, infodesk@eib.org	General telephone number, Luxembourg headquarters: +352 4379-22000 For other offices, see here: https://www.eib.org/en/infocentre/contact/offices/index.htm
EBRD	Civil Society Engagement Unit CSO@ebrd.com Environmental and Sustainability Department environmentandsocial@ebrd.com	Tel: +44 20 7338 7429 (London) Tel: +44 20 7338 7158 For other offices, see here: https://www.ebrd.com/where-we-are.html
World Bank and IFC	Bank country resident missions Country pages and contacts Civil society unit civilsociety@worldbank.org	The World Bank 1818 H Street, NW Washington, DC 20433 USA Tel: (202) 473-1000 Requests for Information: General Inquiries Access to Information Request
ADB	NGO and Civil Society Center (NGOC) civilsociety@adb.org Resident missions Country pages and contacts Climate Change and Sustainable Development Department (CCSD): Bruno Carrasco (Mr), Director General:	Tel +632 8632 6524 Fax +632 636 2444 NGOC contact form Information request

	E-mail Toru Kubo (Mr), Senior Director, Climate Change, Resilience, and Environment Cluster: E-mail Noelle O'Brien (Ms), Director, Climate Change: E-mail Yoko Watanabe (Ms), Director, Environment: E-mail Samantha Hung (Ms), Director, Gender Equality Division: E-mail	
AIIB	Communication Department information@aiib.org	Project-specific contacts available in project descriptions https://www.aiib.org/en/projects/list/index.html CSO contacts for Annual Meetings https://www.aiib.org/en/news-events/events/annual-meetings/overview/index.html

Environmental and social safeguards

Each of the banks covered by this toolkit has a set of environmental and social safeguards which have to be applied to every project. In most cases, they are divided between a policy statement, which stipulates the bank's own commitments with regard to carrying out due diligence on projects, and a set of policy requirements which bank clients must meet.

In reality, it is slightly more complicated as bank investments do not always consist of giving a single loan to a project company. Sometimes (as in the Lengarica case, below), the banks buy shares in the project company, and sometimes they operate indirectly, giving funds to a financial intermediary such as a commercial bank or private equity fund, which then buys shares in or provides a loan to a project company. In these cases, for some banks, slightly different rules apply to the projects, but they are still included in the environmental and social policy.

Also, it is often the case that several international banks finance the same project. In this case, usually one of them leads on doing environmental and social checks, but ultimately the project has to comply with all of their policies. The exception is the AIIB, which in practically all cases of co-financing insists that the safeguard policies and accountability mechanisms of the lead bank should apply, thus absolving itself of any responsibility for project impacts. This amounts to more than 60 per cent of all projects financed by the bank, and even more in the hydropower sector.

When communicating concerns about projects to the banks, if you are alleging breaches of their safeguard policies, you need to be very sure about what you are saying and provide sound evidence wherever possible. Do not expect that the banks will immediately accept what you have to say, as they usually consult with their clients and tend to favour their answers over CSOs' input. Nevertheless, with consistent evidence it is possible to prove breaches, which can lead to changes in projects or even banks' withdrawal. Feel free to ask more experienced CSOs for assistance with shaping your arguments.

One important caveat is that when communicating with the banks about alleged non-compliance with environmental and social safeguards, it is important to identify which version of the safeguards applies to which project, as they tend to change every few years. For example, the current EBRD Environmental and Social Policy applies to projects initiated after 1 January 2020. However it may not be immediately apparent from outside when the project was initiated, as information about it will likely be published quite some time afterwards. In this case, it may be necessary to ask the bank which policy version the project is being assessed under.

In addition to the safeguard standards, the banks often have guidance notes or other documents which interpret how their policies should be applied. Their approach varies on how binding these documents are, and they cannot be considered having the same weight as the safeguard policies themselves, but they can certainly be quoted in communication with the banks.

Banks' safeguard standards

Bank	Latest environmental and social standards	Main parts which may apply to hydropower/water projects
European Investment Bank (EIB)	Environmental and Social Policy and Environmental and Social Standards, adopted February 2022 and relevant to projects initially approved for due diligence after that (it may be necessary to check with the bank for specific projects). The Policy applies to the EIB's commitments, whereas the Standards apply to the projects themselves.	The Policy is relevant to all projects. All the standards may be relevant to hydropower projects to some extent, but the following are particularly likely to be of use: 1 – Environmental and social impacts and risks 2 – Stakeholder engagement 4 – Biodiversity and ecosystems 6 – Involuntary resettlement 7 – Vulnerable groups, indigenous peoples and gender 9 – Health, safety and security 10 – Cultural heritage In 2019 the bank approved Hydropower Guidelines which it committed to apply in the case of hydroelectric projects. As

		of early 2024, these are still valid, but would benefit from being updated to bring them into line with the 2022 standards.
European Bank for Reconstruction and Development (EBRD)	The European Bank for Reconstruction and Development (EBRD) published an updated Environmental and Social Policy on 20 December 2024. This policy came into effect on 1 January 2025 and applies to projects initiated after that date. Before that date, the 2019 Environmental and Social Policy was in force from 1 January 2020. The new policy consists of two parts – pages 9-13 (English version) lay out the EBRD's commitments, while the remainder consists of 10 Environmental and Social Requirements (ESRs), which project promoters must comply with. The EBRD Environmental and Social Exclusion List (pages 26- 27) has been expanded to cover "projects that impact …(iii) free-flowing sections of rivers 500 km or longer in length, with the exception of those projects specifically designed to contribute to the conservation of such areas".	As well as the Policy statement, the following ESRs are of particular relevance for hydropower projects: 1: Assessment and Management of Environmental and Social Risks and Impacts 4: Health, Safety and Security 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources 7: Indigenous Peoples 8: Cultural Heritage 10: Information Disclosure and Stakeholder Engagement
World Bank	The World Bank approved the Environmental and Social Framework (ESF) in 2016 and it applies to all World Bank lending starting on October 1, 2018. The ESF consists of: • The Environmental and Social Policy (ESP), a policy statement that lays out World Bank due diligence requirements; • The World Bank Directive on Addressing Risks and Impacts on Disadvantaged and Vulnerable Individuals or Groups, which provides directions for Bank staff on identification and mitigation of increased	For hydropower projects, the following ESF and Operational policies may be applicable: The Environmental and Social Framework (ESF), particularly the Directive on Addressing Risks and Impacts on Disadvantaged or Vulnerable Individuals or Groups and the following Standards: ESS1: Assessment and Management of Environmental and Social Risks and Impacts

	risks to groups and individuals who might be more likely to be adversely affected by project impacts or more limited than others in their ability to take advantage of project benefits due to their particular circumstances; • The Environmental and Social Standards (ESSs): Ten standards covering different topic areas that must be applied by the borrower in each project; In addition, the World Bank has an Operational Manual that also includes environmental and social policies. These consist of instructions to bank staff on how to fulfil the Policy, as opposed to the Standards, which lay out the standards that have to be fulfilled by project promoters.	ESS3: Resource Efficiency and Pollution Prevention and Management ESS4: Community Health and Safety (which includes an annex on dam safety) ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement ESS6: Biodiversity Conservation and Sustainable Management of Living Natural Resources ESS7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities ESS8: Cultural Heritage ESS10: Stakeholder Engagement and Information Disclosure From the Operational Manual, the Bank Directive: Environmental and Social Directive for Investment Project Financing is the main document related to environmental and social impacts. The Good practice note (GPN) on Dam Safety and the Good practice note on Water Use may also be of use. Although it is not part of the safeguard standards, the World Bank's 2015 publication Hydroelectric power: a guide for developers and investors, may also be of use.
International Financial Corporation (IFC)	The IFC's Sustainability Framework comprises its Sustainability Policy, Performance Standards, and Access to Information Policy. Its Sustainability Policy, dating from 2012, describes the bank's sustainability commitments, roles and responsibilities, collaboration with partners and specific initiatives on governance and disclosure.	The main IFC Performance Standards applicable to hydropower are: 1: Assessment and Management of Environmental and Social Risks and Impacts 4: Community Health, Safety, and Security 5: Land Acquisition and Involuntary Resettlement

	Its Performance Standards on Environmental and Social Sustainability and guidance notes comprise eight standards prescribing clients' responsibilities for managing environmental and social risks.	6: Biodiversity Conservation and Sustainable Management of Living Natural Resources 7: Indigenous Peoples 8: Cultural Heritage The Good practice note on Environmental, Health, and Safety Approaches for Hydropower Projects (2018) may also be useful, as may Environmental flows for hydropower projects: guidance for the private sector in emerging markets, also published in 2018.
Asian Development Bank (ADB)	**Safeguard Policy Statement (SPS 2009)** At the time of writing (January 2025), the ADB's Safeguard Policy Statement from 2009 is planned to remain in effect at least until 1 January 2026. It consists of three main Safeguard Requirements: Environment, Indigenous Peoples, and Involuntary Resettlement. In addition to these three, several sector policies have environmental safeguard elements, for example, those about water, energy, and forestry. The Safeguard Requirements are accompanied by an Operations Manual on Safeguard Policies. **Environmental and Social Framework (ESF 2024)** In November 2024 the ADB published an Environmental and Social Framework (ESF) closely resembling the similar safeguard document of the World Bank. The ESF comprises: 1. **A Vision** that sets out ADB's aspirational commitments on environmental and social sustainability 2. **An Environmental and Social Policy (E&S Policy)** that applies to ADB staff,	All of the three Safeguard Requirements may be relevant to hydropower. In addition, in August 2023 the ADB published an Energy Sector Guidance Note: ADB's Approach for Large Hydropower Plants, which explains in more detail the approach taken in its 2021 Energy Policy. Under the new ESF, all the Environmental and Social Standards may be relevant to hydropower and water infrastructure: ESS1: Assessment and Management of Environmental and Social Risks and Impacts - the overarching standard that provides basis for an integrated E&S assessment. ESS2: Labor and Working Conditions. ESS3: Resource Conservation and Pollution Prevention – relates to sustainable use of water resources. ESS4: Health, Safety, and Security – includes an annex dedicated to safety of dams. ESS5: Land Acquisition and Land Use Restriction - includes requirements for resettlement.

	detailing the mandatory environmental and social requirements in ADB-financed and administered projects. 3. **10 Environmental and Social Standards (ESSs)** that detail mandatory requirements for borrowers and/or clients. 4. **Requirements for Financing Modalities and Products** that explain how E&S requirements apply in the context of different financing modalities and products offered by ADB. 5. **A Prohibited Investment Activities List** of projects that do not qualify for ADB financing. The ESF will become effective on 1 January 2026, or a later date as determined by the bank's management and board 'after confirming the readiness to implement the ESF'. The ESF also stipulates that ADB, co-financiers, and the borrower and/or client may agree on a 'common approach' in the assessment, development, and implementation of a project, which may enable the ADB to authorise use of the E&S standards of a co-financing bank instead of its own.	ESS6: Biodiversity and Sustainable Natural Resources Management – contains an innovative prohibition on development of projects in no-go zones such as "**free flowing" rivers of 500 kilometres or longer**. ESS7: Indigenous Peoples. ESS8: Cultural Heritage. ESS9: Climate Change – provides requirements to minimize greenhouse gas (GHG) emissions attributable to a project and manage project-related climate risks and contribute to enhancing climate resilience. ESS10: Stakeholder Engagement and Information Disclosure
Asian Infrastructure Investment Bank	The AIIB adopted the Environmental Social Framework (ESF) in 2016 and revised it in November 2022. The ESF includes a Vision, which lays out institutional aims to address environmental and social risks and impacts, and an Environmental and Social Policy (ESP), that sets specific requirements. The ESP comprises mandatory requirements for each Project and is accompanied by three Environmental and Social Standards (ESSs) and an Environmental and Social Exclusion List	The ESP and all ESSs may be applicable to hydropower projects. ESS1 and ESS2 apply to greenfield hydropower projects in most cases, while ESS3 applies only in case of the proven presence of indigenous peoples. ESS1 has very detailed dam safety requirements. The exclusion list includes activities prohibited by national legislation in the project country or by international conventions on the protection of

	(ESEL). The mandatory ESSs set out requirements applicable to Bank clients on: Environmental and Social Assessment and Management (ESS1); Land Acquisition and Involuntary Resettlement (ESS2); and Indigenous Peoples(ESS3). The ESSs take effect depending on the nature of a given project. However, see the caveat above about co-financed projects, for which the AIIB considers that the lead bank's standards apply. The Directive on the Environmental and Social Framework (updated in 2023) describes the Bank's roles and responsibilities and environmental and social information disclosure requirements (Directives are binding instructions issued by the President to AIIB staff). Among the AIIB's strategies, the Energy Sector Strategy: Sustainable Energy for Tomorrow and Water Sector Strategy have the greatest relevance to hydropower development.	biodiversity or cultural resources, such as the Bonn Convention, Ramsar Convention, World Heritage Convention and Convention on Biological Diversity. The ESP also ends with a strong statement that the AIIB will not knowingly finance a project that either involves or results in forced evictions, which is sometimes the case with hydropower[15]. In addition, the Operational Policy on International Relations states that the Bank may provide financing for a project involving an international waterway only if it will not have a material adverse effect on the other riparians, or if all riparian countries confirm their non-objection to the project. The Bank assesses the potential effect of other riparians' possible use of water from the international waterway on the project as 8part of its project risk assessment under Section III of the Operational Policy on Financing.

Complaint mechanisms on environmental and social safeguards

All of the international financial institutions covered by this toolkit have official complaint mechanisms where members of the public can *raise* concerns about the banks' projects. Most of the mechanisms offer either mediation processes to settle specific problems or compliance reviews to investigate whether the banks have complied with their own standards. In all cases, it is possible to request confidentiality when submitting a complaint.

It is important to understand that none of these mechanisms are courts. They cannot force the banks to follow their findings and they cannot impose any specific penalties. Nevertheless, the international financial institutions are somewhat aware of reputational risks and in many cases do take at least some

[15] Forced eviction is defined as the permanent or temporary removal, against the will of individuals, families and/or communities, from homes or land (or both) which they occupy, without the provision of, or access to, appropriate forms of legal or other protection (such as the provisions of the AIIB's ESS 2).

action as a result of the mechanisms' findings – even if it might not be exactly what the complainant asked for.

Although they are all in some way part of the banks they are scrutinising, the mechanisms vary in their level of independence, depending on whether they report to the Board or to the head of the bank. We have also experienced very different handling from case to case, even within the same mechanism. Sometimes this is because of the expert engaged to look into it, but sometimes it is a result of the high political profile of a case.

In many cases, more than one bank is involved in a problematic project. Although it is possible to submit complaints to the redress mechanisms of both or all of the banks, usually one will take the lead unless the topics addressed are different from mechanism to mechanism. It is therefore important to carefully consider which mechanism is the most appropriate for the purpose.

It is also important to make sure that the allegations are made in relation to the correct version of the bank's environmental and social safeguards. For example if a project was approved by the EBRD in 2019, it falls under the 2014 Environmental and Social Policy, not the 2019 one, which entered into force only later. For help on this, do not hesitate to ask more experienced CSOs.

EIB

About the Complaints Mechanism
Complaints Mechanism Policy
Complaints Mechanism procedures
Case registry
Contact details
Online: Complaints form
E-mail: complaints@eib.org
Phone: +352 437914005
By post: Complaints Mechanism, 98-100 Boulevard Konrad Adenauer, L-2950 Luxembourg

The EIB Complaints Mechanism covers a variety of issues referred to as 'maladministration', for example, administrative irregularities, unlawful discrimination, unjustified refusals of information, abuse of power, unnecessary delays as well as failure by the EIB to comply with its obligations in the appraisal and monitoring of the projects it finances. It also includes failure to uphold human rights, or comply with applicable law, or the principles of good administration. So, for example, if an EIB client does not comply with the Bank's environmental and social standards, the Complaints Mechanism can only look into whether the EIB has taken appropriate action to prevent or rectify this.

The Mechanism deals with complaints on the institution as a whole, not on individual staff members. The Complaints Mechanism also does not handle complaints on procurement – which are dealt with by the EIB Project Procurement Complaints System – or fraud (see below).

Complaints should be made within a year of becoming aware of the relevant facts. For complaints on environmental and social impacts of EIB-financed projects/operations or governance problems with projects, complaints can be made as soon as the EIB is actively considering financing the project.

Anonymous complaints are not accepted, but the complainant may ask for confidentiality. However, the EIB's Policy states that even in this case, it has an obligation to share the complainant's identity with other EU services if asked.

The Complaints Mechanism has two main modes of handling complaints: Compliance review or Dispute resolution/mediation. Complainants can ask for one or the other of these but the Complaint Mechanism may attempt to resolve the issue via dialogue, before potentially moving onto a compliance review. Ultimately the Complaints Mechanism will choose which mode is most suitable. The Complaints Mechanism also has advisory and monitoring functions, so it can propose improvements for the EIB's operations and policies in the future.

The EIB-CM is part of the independent Inspectorate General, headed by the Inspector General, and appears to suffer from a lack of independence, as it reports to the EIB Management Committee, and not directly to the Board of Directors.

Appeals against Complaint Mechanism decisions are possible by approaching the EU Ombudsman.

EBRD

About the Independent Project Accountability Mechanism (IPAM)

Project Accountability Policy and Guidance on case handling

Case registry

IPAM contact details:

Email: ipam@ebrd.com

Fax: +44 20 7338 7633

By post: Attn: Independent Project Accountability Mechanism

European Bank for Reconstruction and Development,

Five Bank Street

London, E14 4BG

United Kingdom

IPAM covers mainly alleged breaches of the EBRD's Environmental and Social Policy, as well as breaches of project-related access to information. Other issues such as procurement, fraud etc. are not covered by IPAM (see below for fraud).

The complaint must relate to a Project that the Bank has approved, and must be submitted within 24 months of the date that the Bank ceases to have a financial interest in the Project (i.e., as a result of full repayment, prepayment, disposal or otherwise). If a complaint relates to operations that have not yet been approved, IPAM will inform Bank management and notify the Requesters and the Board via the Audit

Committee accordingly. During Project preparation, Bank management will take the Request into account and inform IPAM in writing as to how the Requester's concern is being addressed.

IPAM has two modes of addressing complaints – Compliance review or problem-solving (mediation). On receiving a complaint, it will first look into the possibility of solving the issue by problem-solving, and only then potentially move towards a compliance review. Complainants need to make clear whether they have a strong preference for one or the other type of process, but ultimately IPAM will decide itself.

Complaints cannot be submitted anonymously but confidentiality can be requested and IPAM will handle the complaint accordingly. If, however, IPAM reasonably believes that maintaining confidentiality will prevent a review of the complaint, then IPAM will immediately notify the complainants to agree on how to proceed. If agreement on how to proceed is not possible, IPAM may terminate the process.

There is no formal appeal mechanism against IPAM findings. IPAM does circulate draft Compliance Review reports to the Parties for comment though, and will consider any such comments in the finalisation of the report.

IPAM is now relatively independent, governed outside the Bank's investment operations (i.e., outside of Bank management), with a direct reporting line to the Board of Directors through its Audit Committee.

World Bank

About the Grievance Redress Service (for smaller complaints at management level)

Grievance Redress Service contact details:

Complaint form

Email: grievances@worldbank.org

By post: Printable form to be sent to the World Bank at the address below

About the World Bank Accountability Mechanism

About the Dispute Resolution Center

Inspection Panel Operating Procedures, December 2022

Accountability Mechanism Operating Procedures, December 2022

Inspection Panel case registry

Inspection Panel contact details:

Email: ipanel@worldbank.org

Tel: +1 202 458 5200

Fax: +1 202 522 0916

By post: The Inspection Panel, 1818 H St NW, Mail Stop: MC10-1007 Washington, DC 20433 USA

The World Bank Accountability Mechanism consists of the 1) Inspection Panel and 2) Dispute Resolution Center (DRS). The Inspection Panel has existed since 1993 but in 2020 the DRS was established and the two were brought together into the Accountability Mechanism.[16] The DRS became operational in October 2021.

The Accountability Mechanism (AM) is headed by the AM Secretary, who is independent from Bank Management and reports directly to the Board. The AM Secretary supports the work of both the Panel and the DRS. Panel Members are independent and report only to the Board. They coordinate with, but are not subject to the supervision of the AM Secretary.

In response to complaints from affected people, the Panel has the power to carry out independent investigations of Bank-financed projects to determine whether the Bank is in compliance with its operational policies and procedures and to make related findings of harm. Complaints can be submitted up to 15 months after the closure of projects,[17] and requesters may ask for confidentiality in the handling of the Request. If non-compliance is established, Management Action Plans may be requested in order to remedy the harm, and if the Board decides so, the Inspection panel also has authority to verify the implementation of these plans.

In addition, on the management level the World Bank has a Grievance Redress Service (GRS) which can help to address specific problems more promptly. Individuals and communities who believe that a World Bank-supported project has or is likely to have adverse effects on them, their community, or their environment can submit a complaint. The GRS is designed to increase the World Bank's responsiveness to project-affected communities.

IFC

About the Office of the Compliance Advisor Ombudsman (CAO)

The CAO policy, 2021

Case registry

CAO contact details:

Email: CAO@worldbankgroup.org

Tel: +1 202 650 2627

Text and Whatsapp +1 202 361 7091

Fax: +1 202 650 2627

Complaint form: https://www.cao-ombudsman.org/cases/file-a-complaint

By post: CAO, IFC, 2121 Pennsylvania Avenue, NW Washington, DC 20433, USA

The IFC's CAO is mandated to address complaints from people affected by IFC and/or MIGA projects both through dispute resolution and compliance reviews. The CAO also has an advisory function and gathers

[16] IBRD, The World Bank Accountability Mechanism, Resolution No. IBRD 2020-0005 Resolution No. IDA 2020-0004, 8 September, 2020.

[17] For projects approved after 8 September 2020. For those approved before, complaints cannot be submitted after the closing date of the loan financing the project or after 95 percent or more of the loan has been disbursed.

insights from dispute resolution and compliance cases to help enhance IFC and MIGA performance on key environmental and social issues. The IFC CAO reports directly to the IFC and MIGA boards, so is relatively independent.

According to its policy, any individual, group, community, or party can file a complaint to the office of the CAO if they believe they are, or may be, affected by an IFC or MIGA project. A representative or organisation can also make complaints on behalf of those affected. If confidentiality is requested, the process of handling complaints will be jointly agreed upon by the CAO and the complainant.

The complaint should relate only to a social or environmental issue associated with that project. A complainant can state whether they are requesting a compliance review or dispute resolution, and the CAO will make an assessment of which they find most appropriate. If the CAO establishes non-compliance, an action plan will be agreed on with the management and the client and monitored by the CAO.

ADB

About the ADB Accountability Mechanism

Accountability Mechanism Policy, 2012

Complaints Registry

Contact details:

Email: amcro@adb.org

Contact form

Tel: +63 2 632 4444

Facebook page

The ADB Accountability Mechanism provides a forum for people who believe that they have been harmed or might be harmed by ADB-assisted projects. The Accountability Mechanism has two functions. The problem-solving function is led by the Special Project Facilitator (SPF) who directly reports to the President of ADB. The compliance review function involves the investigation of ADB-assisted projects to check whether ADB policies and procedures have been followed. This is done by the Compliance Review Panel (CRP), which directly reports to the ADB Board of Directors.

The affected communities or individuals should specify in the complaint which function they want to apply under the Accountability Mechanism – problem solving or compliance review – as well as specifying whether confidentiality is needed or not. Unlike with the anticorruption office, the submission of anonymous complaints is not allowed, but confidentiality can be requested. The SPF and CRP are considered to be the last resort and therefore before submitting a complaint, potential complainants are required to contact the ADB's operation department. After a complaint to the SPF the mediation process starts, and if an agreement is not reached, the complainant can go to the CRP. If the CRP establishes that the complaint is eligible based on a preliminary investigation and site visit, it asks the Board Compliance Review Committee (BCRC) to authorise a full-scale compliance review of the project. After the compliance report is approved by BCRC, the CRP monitors the implementation of the Board's decisions on compliance review and provides the complainants with copies of the monitoring reports.

AIIB

About the Complaints-resolution, Evaluation and Integrity Unit (CEIU)

CEIU TOR

Project-affected People's Mechanism

Decision on the Oversight Mechanism

Contact details:

Email: ppm@aiib.org

Fax: +86-10-8358-0003

By post: Asian Infrastructure Investment Bank (AIIB), Tower A, Asia Financial Center, No.1 Tianchen East Road, Chaoyang District, Beijing 100101, China

Unlike in the other banks, AIIB has a unified department for dealing with complaints on project impacts and on fraud and corruption – the Complaints-resolution, Evaluation and Integrity Unit, or CEIU. The CEIU is led by a Managing Director who reports directly to the Board.

The primary functions of CEIU are many, including to:

(i) selectively assess the quality and results (for completed projects) of the Bank's ongoing and completed investment portfolio,

(ii) serve as the focal point for external requests or complaints regarding compliance with AIIB's Environmental and Social Policy (ESP) under the Project-affected People's Mechanism Policy, and

(iii) investigate project-related fraud and corruption cases under the Policy on Prohibited Practices.

In the past CSOs and researchers questioned the independence of the complaints mechanism from the management due to the close involvement of the CEIU and its inaugural Director into many management routines of the AIIB.

The Project-affected People's Mechanism (PPM) is the CEIU's complaints-handling mechanism which reviews complaints from project-affected people who believe they have been or are likely to be adversely affected by AIIB's failure to implement its Environmental and Social Policy. From the very first consultations on its establishment, CSOs pointed out that the PPM would be too restrictive and bureaucratic to be effective. Since its establishment, only one known complaint, on the Bhola Power Plant in Bangladesh has been submitted by civil society, but was not accepted due to 'lack of prior communication with the AIIB management'.

By 2023, the AIIB had hired a new CEIU Director and started public consultations on the Project-affected People's Mechanism Policy Review.

Another major issue is the bank's insistence that co-financed projects are governed by the safeguards of the lead bank, which excludes more than 60 per cent of projects from the PPM. In 2022, the CEIU compiled a table showing which policies and mechanisms are applicable to which projects.

According to the AIIB's Environmental and Social Standards, the intended process of complaints resolution is that all AIIB-supported projects must put in place project-level grievance mechanisms to receive complaints and resolve problems. In theory, only after addressing the project level mechanism and being unsatisfied can a CSO address the CEIU.

Once a project has been posted on the AIIB's website as 'proposed', a CSO or a group of two and more individuals may submit a complaint specifying whether it is a Project Processing Query, Request for Dispute Resolution or Request for Compliance Review.

A Project Processing Query aims to quickly address relatively simple matters that come up during the preparation of a project, but cannot be used once the bank has approved the project. When the project has begun, Dispute Resolution can be used to set up negotiations between the community, the AIIB, and/or the project company or responsible government with the assistance of a mediator. If the dispute resolution process is successful, both sides will usually develop a written agreement on what steps will be taken to address the problem.

Alternatively, if the complainant does not want to negotiate and claims that the AIIB has failed to follow its own policies, in a Compliance Review, the PPM will assess complaints and decide whether this is the case. If a formal investigation is approved by the AIIB Board of Directors, a task force will be created to review the complaint. When the investigation is finished, the CEIU prepares a report ruling whether or not the AIIB followed its own policies properly and whether it has harmed the community. If harm is proven, then the AIIB Management will prepare a plan setting out steps to fix the problem. This plan must be made public, and shared with the people who made the complaint. In practice it has never happened so far and the on-going policy review may change details of this process.

Fraud and corruption standards and complaint mechanisms

Approaching international financial institutions with concerns about fraud or corruption is usually more difficult than with environmental or social concerns, partly because such crimes are very difficult to prove. Any investigations launched by the banks necessarily need to be done in secret, so it is often hard to understand whether the responsible departments are actively following up on the cases.

However, sometimes CSOs may have important information on fraud or corruption which they need to share with the banks. It is important to be realistic about the prospects of success with such complaints, as what seems like obvious corruption to CSOs does not always seem like that to the banks. Sometimes this is simply a case of banks defending their clients, but sometimes it is due to lack of proof or failure to understand how things work in other countries. Where information about fraud or corruption is taken seriously, however, it may have a significant impact on banks' decision-making with regard to specific projects.

The sections below set out the different banks' policies on fraud and corruption and information about their fraud-related complaint mechanisms.

In addition to the individual banks' policies, in 2010, several international financial institutions – the World Bank, ADB, EBRD, Inter-American Development Bank, and African Development Bank – signed an

Agreement for Mutual Enforcement of Debarment Decisions,[18] which entered force at different times in the different banks.[19] The AIIB also has joined this Agreement.

This means that when one bank decides that a certain individual or company is debarred from taking part in bank-financed projects for a certain period of time, the other banks also exclude this entity from their projects. The EIB did not sign the agreement, citing the EU legal framework as a barrier,[20] but claims to take other banks' decisions into account in its own decision-making.[21]

Several international financial institutions also agreed on common principles for investigations in 2006, which were most recently updated as the International Financial Institutions Principles and Guidelines for Investigations in 2015.[22]

EIB

EIB Group Anti-Fraud Policy, effective from 5 August 2021, replacing a previous policy from 2013.

Exclusion Policy, effective from 19 February 2018.

List of debarred entities

About the Investigations Division

Fraud Investigations Division Charter

Investigation procedures

Annual activity reports

Contact details:

Email: investigations@eib.org

Contact Form on Prohibited Conduct

By post: Head of the Fraud Investigations Division, European Investment Bank, 100 Bd. Konrad Adenauer, L-2950 Luxembourg

The EIB's Investigations Division is not fully independent from the Bank's leadership. Its Head reports to the Inspector General, who reports to the President and the Vice-President with oversight of compliance and control. The Investigations Division reports its findings to the President, European Investment Fund (EIF) Chief Executive, European Anti-Fraud Office (OLAF), the EIB Audit Committee, the EIF Audit Board and other persons or entities on a need-to-know basis.

[18] World Bank, ADB, EBRD, Inter-American Development Bank, and African Development Bank, Agreement for mutual enforcement of debarment decisions, 9 April 2010.

[19] World Bank, ADB, EBRD, Inter-American Development Bank, and African Development Bank, Cross Debarment, 2011.

[20] The EIB is part of the EU institutions, so unlike other international financing institutions, its exclusion decisions are subject to judicial review, first by the General Court and on further appeal to the Court of Justice of the EU.

[21] European Investment Bank, MDBs step up their fight against corruption with joint sanction accord, 9 April 2010.

[22] The African Development Bank Group, EBRD, EIB, Inter-American Development Bank Group and World Bank Group, International Financial Institutions Principles and Guidelines for Investigations, 2015.

The Investigations Division can cover allegations of prohibited conduct covered by the EIB Anti-Fraud Policy, including corruption, fraud, coercion, collusion, theft at EIB Group premises, obstruction, misuse of EIB resources or assets, money laundering and financing of terrorism related to the bank's clients, contractors on bank-financed projects, EIB staff and governing bodies, and consultants.

It is possible to submit complaints anonymously or to request confidentiality. Due to the sensitive nature of the issues involved, complainants will typically not be updated on the progress or the results of the investigation. Some clues may be found in the annual activity reports. No appeals are therefore possible against the Investigation Division's findings.

An individual or entity that is found to have engaged in prohibited conduct as defined by the policy may be excluded from participating in EIB operations for a certain period of time. The EIB may also engage in negotiated settlements with individuals or entities who are alleged to have engaged in Prohibited Conduct. Such negotiations can resolve the case against them (wholly or partly) based on terms and conditions set out in a settlement agreement.

EBRD

About the Office of the Chief Compliance Officer

EBRD Integrity Risk Policy and the Terms of Reference for the Office of the Chief Compliance Officer, 2016

Enforcement Policy and Procedures, revised October 2017.

List of debarred entities

Integrity and Anti-Corruption Reports

Contact details:

Email: compliance@ebrd.com

Complaint form: https://www.ebrd.com/eform/contact/1390580844264

By post: Chief Compliance Officer

European Bank for Reconstruction and Development
Five Bank Street
London E14 4BG
United Kingdom

The Office of the Chief Compliance Officer (OCCO) is responsible for investigating allegations of fraud, corruption and misconduct both within the EBRD and also in EBRD-financed projects. The prohibited practices covered by the OCCO include fraud, corruption, collusion, coercion, obstruction, theft or misuse of the Bank's resources, involving bank staff, executive directors or bank-financed projects.

The OCCO is not truly independent from the Bank's management structure, as they report to the President, and the Vice President, Risk and Compliance and Chief Risk Officer has administrative oversight of the OCCO. The Board of Directors' Audit Committee also has to periodically assess the work of the OCCO and propose any changes needed.

It is not clear whether there are any time limitations on complaints to the OCCO compared to when the alleged practice happened.

Anonymous complaints are possible, however, any investigation is often more efficient if the reporting party can be contacted for further information. It is also possible to request confidentiality.

Further communication with OCCO staff on the progress of the case is possible for non-anonymous complaints. However, the confidential nature of complaints may restrict disclosure of details, and the only information published is that in the annual integrity and anti-corruption reports.

Appeals by external complainants against findings are therefore generally not possible, though the Board Audit Committee can be informed about any dissatisfaction with the OCCO's conduct.

World Bank and IFC

Overview of integrity policies

Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, revised in 2016.

Guidelines on Preventing and Combatting Fraud and Corruption in Program-for-Results Financing, revised in 2015.[23]

Sanctions for fraud and corruption, issued in 2016.

Sanctions Proceedings and Settlements in Bank Financed Projects, issued in 2023.

International Finance Corporation (IFC) Sanctions Procedures, adopted in 2022.

World Bank Group Integrity Compliance Guidelines, (for debarred entities to have their debarment shortened).

List of debarred entities

About the Integrity Vice Presidency (INT)

What the INT can investigate

Sanctions Proceedings and Settlements in Bank Financed Projects

IFC Sanctions Procedures

World Bank Sanctions System Annual Reports

Contact details:

Integrity Complaint Form (no other contact details are provided by the bank)

The Integrity Vice Presidency (INT) investigates and pursues sanctions related to allegations of fraud and corruption in World Bank-financed projects. INT reports to the President of the World Bank Group but is under the oversight of the Audit Committee of the Executive Board, which provides for a reasonable level of independence.

[23] Program-for-results financing is made up of lending for country programmes within the borrowers' existing regulatory framework and can also finance hydropower, mainly small plants in practice.

A complainant can request confidentiality or can submit information anonymously, but it is still important to provide some way for the INT to get in touch, such as an email address. After the submission of the complaint, someone from INT will get in touch to follow up on the complaint.

Under the INT there is a two-tier sanction system. If INT believes there is sufficient evidence to substantiate the allegations, the case is referred to the World Bank Office of Suspension and Debarment (OSD), led by the World Bank's Chief Suspension and Debarment Officer (SDO) – the first level of adjudication in the World Bank's sanctions system. If the case relates to the IFC, INT refers it to the Evaluation and Suspension Officer (EO) who is the IFC's equivalent of the OSD.

The SDO or EO evaluates the sufficiency of the evidence presented by INT, recommends sanctions against the respondent(s), and temporarily suspends the respondent(s) from eligibility to be awarded World Bank-financed contracts pending the final outcome of the proceedings. If the sanctioned entity or individual does not appeal, the SDO imposes the sanction and publishes a Notice of Uncontested Sanctions Proceedings on the World Bank's website.

If the sanctioned entity/person appeals, the World Bank Group Sanctions Board examines their claim. This independent administrative tribunal is the final decision-maker in all contested sanctions cases across the World Bank Group. It consists of seven members who are top jurists and development experts, all external to the World Bank Group. The Sanctions Board is supported by a Secretariat managed by the Executive Secretary to the Sanctions Board.

The World Bank Group has a range of options for individuals and companies found to be engaging in prohibited practices, ranging from a reprimand to full debarment and/or restitution to the affected party. Debarred entities may also be subject to 'debarment with conditional release', in which case their debarment may be shortened if they properly apply the Integrity Compliance Guidelines.

ADB

Anticorruption Policy, dating from 1998 but updated with annexes several times.
About the Office of Anticorruption and Integrity (OAI)
ADB-adapted International Financial Institutions Principles and Guidelines for Investigations, 2015.
Investigations overview
Integrity Oversight Committee Terms of Reference and Rules of Conduct
Sanctions Appeal Committee Terms of Reference and Rules of Conduct
Case summaries
Proactive integrity review reports
List of debarred entities
Contact details:
Email: via email form only
Contact form
Tel: +63 2 8632 5004
Fax: +63 2 8636 2152

By post: Office of Anticorruption and Integrity
Asian Development Bank
6 ADB Avenue, Mandaluyong City 1550
Metro Manila, Philippines

The ADB's Anticorruption Policy applies to all staff and all entities associated with the ADB and its activities. As the policy itself does not specify in detail how investigations will be carried out, the 2015 International Financial Institutions Principles and Guidelines for Investigations has been adapted by the ADB to include sections on how it is applied within the bank.[24]

The Office of Anticorruption and Integrity (OAI) leads the ADB's integrity initiatives through the conduct of investigations of alleged corrupt and fraudulent practices, proactive integrity reviews of projects, integrity due diligence, and knowledge-sharing with ADB's stakeholders. To the best of the authors' knowledge, the ADB is the only international financial institution which carries out proactive integrity reviews of projects, and it publishes short summaries of its findings.

The OAI reports to the bank's President and more structured oversight from the Board is needed to increase its independence.

Confidential and anonymous complaints are allowed, however, contact information still needs to be provided in order for the OAI to contact the complainant for clarification or further information.

Upon receiving a complaint, OAI considers whether it is a) within its mandate, b) credible, c) verifiable and d) of sufficient importance to justify the projected requirements of the investigation and any remedial action. If so, OAI opens an investigation.

As with the World Bank, there is a two-tier system. For complaints related to external actors (not ADB staff), if a breach is established, the OAI proposes sanctions. If the entity or person accused does not appeal, the sanction is imposed. However, they can appeal to the Integrity Oversight Committee (IOC), made up of two external members and one internal member who changes for each case, which may confirm the breach or not. If the entity or person accused still appeals, the matter is reviewed by the Sanction Appeals Committee, which consists of two external members and one internal member.

If an ADB staff member is accused, the OAI passes its findings to the Budget, Personnel, and Management Systems Department which determines whether further action needs to be taken.

[24] The African Development Bank Group, EBRD, EIB, Inter-American Development Bank Group and World Bank Group, International Financial Institutions Principles and Guidelines for Investigations, 2015.

AIIB

About the Complaints-resolution, Evaluation and Integrity Unit

Fraud and Corruption overview

Policy on Prohibited Practices

Directive on the Policy on Prohibited Practices

Directive on Protection Against Retaliation

Debarment List

Contact details:

Fraud and corruption report form (the only option provided by the Bank).

Under its 'integrity' function, the CEIU carries out anti-fraud and corruption work in accordance with AIIB's Policy on Prohibited Practices, which establishes a two-tier sanctions system that consists of the Sanctions Officer and the Sanctions Panel. After CEIU investigations, the Sanctions Officer is responsible for reviewing them to assess whether there is sufficient evidence and imposing appropriate sanctions against parties that have engaged in prohibited practices.

The decision of the Sanctions Officer may be appealed by a sanctioned party to the Sanctions Panel. The Sanctions Officer also reviews debarments by major multilateral development banks under the Agreement for Mutual Enforcement of Debarment Decisions (AMEDD) and approves the inclusion of debarred entities in AIIB's Debarment List.

Apart from the general directions of the AIIB's anti-fraud and corruption work – conducting investigations, compiling lessons learned and sharing these with relevant departments, conducting training and cooperating with other multilateral development banks on integrity-related matters, very little is known about it, as the CEIU reports do not contain detailed information about specific handling of fraud cases.

The AIIB's sanctioning results shown on the Debarment List are also very limited. As of early February 2024, the list features 7 entities sanctioned by the AIIB compared to 25 sanctioned by the African Development Bank and 180 by the ADB.

China Eximbank, China Development Bank and other Chinese finance

During the last two decades approximately 50-70 per cent of new hydropower projects in the world have been implemented with the participation of Chinese companies and banks. Although China has a great variety of banks and funds and many of those support overseas projects, only a limited number of financial institutions are known to support large-scale hydropower and other large water infrastructure projects overseas.

The hydropower sector in Central Asia could create a lucrative opportunity for China's Belt and Road Initiative (BRI) to employ its hydro-engineering State Owned Enterprises (SOEs) in projects that also influence key policies in the region and solidify ties with top officials. However, so far Chinese involvement

in hydropower and water infrastructure in the region has been limited due to numerous geopolitical, economic, social and environmental constraints.

According to an 2021 estimate by RwB experts (which still largely holds), the total traceable Chinese financing of all Central Asian hydropower projects between 2005 and 2021 was less than USD 500 million. This is less than 5 per cent of the needs declared by Central Asian governments during the last decade. And this means that, if the constraints are reduced, much more Chinese finance may become available for hydropower projects.

Large dams, as (geo)politically driven projects, are most often financed by the Chinese 'policy banks': the China Export-Import Bank ('Chexim') or the China Development Bank, with Chexim being responsible for the vast majority of loans. The policy banks' investments are guided by China's foreign policy priorities and bilateral agreements. Large commercial banks have also been known to finance overseas hydropower projects, albeit at a smaller scale. Various funds established by the Chinese government to support international policies may occasionally finance hydropower. Finally, raising money through selling shares/issuing securities on stock exchanges has also helped Chinese companies to finance hydropower projects. For example, in 2010, the China Three Gorges Corporation and Russian Eurosibenergo attempted to launch an Initial Public Offering (IPO) for their joint hydropower company on the Hong Kong Stock exchange.

China Export-Import Bank

Scale of finance and its modalities

Most overseas hydropower projects are funded by CHEXIM. According to the China's Global Energy Finance (CGEF) database maintained by Boston University, since 2000 this bank has financed 68 hydropower projects with a total amount of loans of just under USD 30 billion. According to the database, Uzbekistan has received USD 226 million in four loans for the construction of new and modernization of old hydropower plants. Other media reports, such as on USD 240 million for the Pskem Hydro project in Uzbekistan in 2017, have never been officially confirmed by Chexim. Nevertheless in 2018 CHEXIM announced that its lending is guided by the China-Uzbekistan Intergovernmental Hydropower Cooperation Agreement Framework signed in May 2017, which suggests that more such projects may be signed in the near future, unless the focus of bilateral cooperation shifts to more cost-efficient renewable sources.

In addition, many more hydropower-related investments have gone into the construction of transmission lines in Tajikistan and Kyrgyzstan, which look less controversial than hydropower plants. For example, in 2017 CHEXIM provided a RMB 546 million government concessional loan for 500 kV Power Transmission Lines from the Rogun Hydropower Plant to Dushanbe.

Concessional and preferential loans are available from CHEXIM to sovereign borrowers at interest rates subsidised by the Chinese government. This funding comes in the form of concessional loans or preferential buyer's credits. Chexim also offers buyer's credit on market terms. Concessional loans are denominated in RMB and preferential buyer's credit loans are denominated in USD. Both loans and credits have cost of capital around 1-3 per cent fixed interest rate with, typically, a five year grace period and a tenor of up to 20 years.

For larger hydropower projects the Bank often teams up with other Chinese and international banks and other financiers. For example, for one of the flagship projects of the BRI, the 720 MW Karot hydropower plant in the Punjab Province of Pakistan, Chexim led a syndicated loan to finance the project together with the China Development Bank, Silk Road Fund and the IFC.

CHEXIM environmental and social policies and practices

We are not aware of any institutionalised mechanisms through which the public can request information on specific CHEXIM-financed projects nor is there any grievance mechanism. Project assessment is not an open process, and no project documents are published by the bank. However the Bank claims to possess robust internal procedures for project assessment and monitoring.

According to Inclusive Development International (IDI), one of the most experienced experts in Chinese financial advocacy among all CSOs, CHEXIM was the first Chinese bank to publish guidelines related to outbound investment. The Guidelines for Environmental and Social Impact Assessments of the China Export and Import Bank's Loan Projects (2007) are basic and consist of only 21 brief articles, although they touch on key issues across the project cycle. These guidelines have likely been replaced by the 'Green Credit Guidelines of the Export-Import Bank of China', although they are not published in full, but only described in other Bank's publications.

In 2022, CHEXIM issued its third White Paper on Green Finance,[25] which includes, among others, the following updated information:

- By 2022 the Bank had formulated a set of comprehensive green credit standards covering the whole business process, which are stipulated in all aspects, such as project proposal acceptance and analysis, risk assessment and credit approval, loan disbursement and payment, post-credit management and credit withdrawal.
- Regarding standards for project assessment and approval, the Bank thoroughly investigates environmental and social risks when accepting project proposals, and requires comprehensive, in-depth and detailed investigation into the compliance, authenticity and risks of social impacts of domestic and foreign loan projects, after which a preliminary report on due diligence can be developed.
- When reviewing overseas projects, the Bank focuses on the legality of the projects' approval procedures of environmental assessment, the compliance of the EIA approval documents and the integrity of the EIA report. Focusing on the impact on the social and natural environment and the effectiveness of the prevention and control measures, the Bank identifies related risks and puts forward corresponding requirements for the implementation of environmental protection measures to mitigate the risks.
- The Bank exercises comprehensive management on environmental and social risks of overseas projects. For projects in host countries with high environmental and social risks, borrowers are

[25] A description of the previous 2019 paper is available on Inclusive Development International, Following the money, undated, accessed 6 February 2024.

required to establish mechanisms for claim response and communication, as well as a major environmental risk response plan.

- In regular audits, economic responsibility audits and special audits, the Bank examines whether loan projects conform to relevant national policies of the industry, and whether they conform to local laws and regulations on project approval, environmental protection and land utilisation.
- If host countries lack a sound environmental protection mechanism or relevant policies and standards on environmental and social impacts, Chinese standards or international practice should be observed instead. The Bank also ensures substantial operational consistency with good international practices for projects involving international financing.
- Regarding standards for loan disbursement, the Bank takes the management of environmental and social risks as a crucial part of reviews in loan disbursement, and controls related risks by means of conditioning disbursement on implementation risk mitigation measures by the borrower. In case of significant and potential risks, the Bank may suspend or even terminate the loan disbursement and payment.
- On standards for post-credit management and loan recovery and disposal, the Bank requires its business units to fully consider the impact of environmental and social risk factors in asset risk classification, provision and write-off procedures, and has established an accountability mechanism for environmental and social risks.

Despite the lack of transparency and absence of participatory mechanisms, NGOs may communicate their grievances about (potential) harm from Bank-financed projects referring to the logic, requirements and mandatory procedures described in the CHEXIM White Paper as well as overseas finance policies set forth by the Government of China.

The Bank has also signed many different collective pledges, like the Joint Initiative of the China Banking Sector in Supporting the Goal of Carbon Dioxide Peaking and Carbon Neutrality or the Joint Declaration of Banking Sector Financial Institutions on Biodiversity Conservation in 2021. Those can be also used in CSO advocacy.

According to our experience based on several hydropower projects, CHEXIM officials monitor news about projects' shortcomings and related conflicts and take seriously fact-based communication coming from civil society organisations. However, the clear lack of institutionalised two-way communication procedures make sustaining long-term dialogue with CHEXIM on specific projects very difficult, and in many cases decisions to finance projects are taken on a political rather than bank level.

Lack of institutionalised safeguards, transparency and participatory mechanisms

Chinese Banks often demonstrate their desire to overcome their environmental and social safeguard weaknesses through cooperation with international peers and mutual learning. For example, the CHEXIM Bank has established on-lending cooperation mechanisms with international financial institutions including the New Development Bank, AIIB, EIB and KfW Group of Germany. By cooperating with its international peers, the Bank familiarises itself with the standards of the European Union, World Bank, etc.

In its on-lending facility with the AIIB (worth USD 200 million) CHEXIM uses a special upgraded 'Green Finance Framework' with somewhat higher standards matching those of the AIIB and including mandatory disclosure for each loan. However, this only applies to projects that receive AIIB financing.

China Development Bank (CDB)

According to the China's Global Energy Finance (CGEF) database maintained by Boston University, since 2000 this bank has financed 13 hydropower projects globally with a total amount of loans exceeding USD 5 billion. The USD 200 million Moynak Hydropower Plant (300 MW) in Kazakhstan is the only CDB hydropower loan in Central Asia that we know of.

Allegedly, in 2014 the CDB adopted – but never published – a Green Credit Work Plan and Interim Measures for Green Credit Management, which integrate the assessment of environmental and social risks into its lending cycle, from project development to review and approval, and post-lending. It has also issued CDB Sustainability Reports and the CDB Culture Manual. Finally, the CDB is a member of the UN Global Compact.

The CDB does not publish any detailed documents on projects that it finances, and it has no formal grievance mechanism or communication channel. This makes engaging with the bank very challenging. Rivers without Boundaries has never managed to get a coherent response from this bank when confronting the Amazar Pulp and Saw Mill Project which included a dam on the Amazar River in Siberia, and was enabled by a USD 250 million loan from the CDB. NGOs in Kazakhstan had similar difficulties when dealing with Moynak Hydro, which threatened the Sharyn National Park's ecosystems (see case study).

China's commercial banks

There are few reliable statistics on Chinese commercial banks' participation in the hydropower and water infrastructure sector. However the Industrial and Commercial Bank of China has been active in several high-profile hydropower projects in Africa, while the Bank of China recently considered funding the infamous Batang-Toru hydropower plant in Indonesia, which is threatening to wipe out a newly discovered ape species: the Tapanuli Orangutan.

Although, we have not found any hydropower projects completed with finance from Chinese commercial banks in Central Asia, we know that in April 2019 a delegation of representatives of the China Power Construction International Corporation, China Export Credit Insurance Corporation and the Bank of China conducted in-depth consultations with the Ministry of Finance and the Central Bank of Tajikistan on financing the Rogun hydropower project and project design planning. We do not know whether any loan agreement resulted from those interactions, but they show a high degree of interest from Chinese commercial banks.

Commercial banks, in general, have less developed environmental and social standards and participatory procedures than policy banks, but the situation varies greatly from bank to bank. Each of them tends to have its own sustainability policy or guidelines (often unpublished) and all of them publish Corporate Social Responsibility reports. Most large Chinese commercial banks have signed on to the UNEP-FI Principles for Responsible Banking and also support the Task Force on Climate-Related Financial Disclosures.

They can also yield to a high degree of pressure from civil society campaigners, as happened in the case of the Batang-Toru plant, which made the Bank of China carry out additional due diligence and quietly withdraw from the project in 2019. Unfortunately it has not resulted in scrapping the project and it is now financed by a syndicated loan led by CHEXIM.

Development Funds

Such Funds are established by the Chinese Government for relatively narrow political purposes and have proliferated under the Belt and Road Initiative as a means to emphasise the importance of cooperation in a certain region or sector. We do not know about any such funds devoted specifically to hydropower and water infrastructure, but still some hydropower finance comes through such channels.

For example, in 2017, the China-LAC Cooperation Fund (managed by CHEXIM) supported a 30-year lease by a Chinese consortium of the São Simão hydropower plant in Brazil with an installed capacity of 1,710 MW. The consortium upgraded the outdated facilities of the power station while ensuring its normal operation. The China-LAC Cooperation Fund participated in the equity investment of the project as a financial investor.

As most such funds are managed by the policy banks or other established financial institutions, we assume that the environmental and social policies of those institutions apply to their projects.

Other financial institutions

Work with Chinese stock exchanges (Hong Kong, Shanghai, Shenzhen) is beyond the scope of our toolkit, but there are several examples of CSOs successfully preventing IPOs of harmful hydropower companies and industrial projects or making the stock exchange management request better disclosure of environmental and social risks from their listed companies before they sell new shares to expand business. Relevant RwB experience in this field with several dam projects is described in this presentation.

Insurance companies (first of all Sinosure) are very important enablers of any Chinese hydropower projects, but CSO experience with Chinese insurers is rather limited. Nevertheless the advocacy venues related to the Chinese Banking and Insurance Regulatory Commission described below are applicable both to banks and insurers.

How the Chinese Government oversees overseas investment in hydropower and water infrastructure in the era of Belt and Road

All the aforementioned banks and funds are subject to regulation and monitoring by the Chinese Government, which takes the public image of its Belt and Road Initiative (BRI) quite seriously.

In 2017, the State Council came up with an overarching policy framework for upholding environmental performance in all aspects of the Belt and Road Initiative – the Guidance on Promoting a Green BRI. It is the most ambitious and comprehensive list of pledges to bring sustainability and environmental management into the BRI so far. The Guidance has a dedicated section on Green Finance, which commits China's government to:

- Push China's financial institutions, multilateral development agencies initiated and participated in by China and relevant enterprises to adopt the principle of voluntary environment risk management;

- Develop green investment policy and financing guidelines, and identify the green investment and financing needs of countries along the Belt and Road;
- Introduce administrative standards for green investment and financing that highlight green project scoping and screening and environmental and social risk management;
- Strengthen environmental risk management in overseas investment projects by raising the level of environmental information disclosure.

Transboundary river management-related risks are relatively high on the radars of various Chinese agencies. For example, concerns about transboundary basins are manifested in the List of Sensitive Sectors for Overseas Investment (2018 Version) and Measures for the Administration of Overseas Investment of Enterprises (December 2017) issued by the National Development and Reform Commission, in which investments that address transboundary water resources are recognized as being among the riskiest, and are classified as 'restricted', thus requiring additional due diligence and approvals.

In March 2022, the National Development and Reform Commission, the Ministry of Foreign Affairs, the Ministry of Ecology and Environment and the Ministry of Commerce of China jointly issued Opinions on Jointly Promoting the Green Development of the Belt and Road, which in a more concise manner reiterated the messages from the 2017 document updated with Green BRI commitments made since then, e.g. related to the Paris Agreement.

Another recent useful and rather detailed document is the Guidelines for Ecological and Environmental Protection in Foreign Investment Cooperation and Construction Projects by the Ministry of Ecology and Environment, covering the environmental and social aspects of overseas projects. They provide guidance on risk management throughout the full project lifecycle from planning, to construction, to operation and decommissioning, and include specific provisions for high-risk sectors such as energy, transport and mining. The guidelines state that companies should conduct biodiversity assessments, emphasise the need for due diligence and environmental impact assessments, and instruct enterprises to enhance communication with local people and listen to their opinions and suggestions. The IDI has published a detailed analysis of this and the other latest social and environmental requirements regarding overseas investments.

All the above documents provide an important framework for civil society actors dealing with Chinese financing institutions and their projects on the ground. In the past they have helped to address specific companies and banks, as well as serving as a basis for wide CSO campaigns urging the Chinese Government to improve the environmental and social aspects of its overseas lending.

National Financial Regulatory Administration NFRA. formerly the China Banking and Insurance Regulatory Commission (CBIRC)

The National Financial Regulatory Administration succeeded the CBIRC in May 2023, but the key policies stayed the same.[26] At the central government level, all financial sectors, excluding the securities industry, will be regulated by the NFRA, including the approval and supervision authority of financial holding companies.

[26] National Financial Regulatory Administration, accessed 20 January 2025.

The **NFRA** supervises and monitors banks' and insurers' corporate governance, risk management, business operations, and information disclosure, and facilitates international cooperation by the banking and insurance sectors. China's commercial and policy banks alike are subject to **NFRA** control.

As early as 2012 the CBIRC issued the Green Credit Guidelines, which prescribed how to conduct due diligence, client compliance reviews and project assessment with respect to environmental and social issues, including in overseas projects. The Guidelines are mandatory for all banks and should be incorporated in their lending processes.

In 2017, the CBIRC issued the Guiding Opinions on Regulating the Banking Industry in Serving Enterprises' Overseas Development and Strengthening Risk Prevention Control which encouraged banks to learn from international best practices and adhere to legal requirements in host countries.

In June 2022, CBIRC issued its Green Finance Guidelines for the Banking and Insurance Industries which update and expand the previously set requirements. Banks and insurers are required to develop targeted environmental, social and corporate governance risk assessment criteria as a basis for client ratings, credit access and management, and use of appropriate risk management measures. Risk assessment benchmarks should be established in the design, preparation, construction, completion, operation, and shutdown phases of any potentially problematic project, and fund dispersal can be suspended or terminated if a project shows significant risk or serious potential harm. For credits or investments that involve significant environmental, social and corporate governance risks, banks and insurers should establish a grievance mechanism and proactively disclose relevant information to the public. All these requirements are applicable to hydropower and other dam projects, as those are normally perceived as high-risk.

The **NFRA**/CBIRC requires banks and insurers to perform a self-assessment based on a set of Key Performance Indicators. Since 2018, the China Banking Association, the industry group representing China's banking sector, has begun a green bank evaluation, through which it reviews and verifies the self-assessment of Chinese banks, and ranks the banks accordingly.

Civil society can use **NFRA**/CBIRC requirements and KPIs as a basis for dialogue with Chinese banks and also it is advisable to alert **NFRA** about bank misconduct before it receives the annual self-assessment reports from each bank in late spring. Friends of the Earth US is the most experienced CSO in using and interpreting **NFRA**/CBIRC tools so far.

Case studies on communication with banks and use of complaint mechanisms

Boskov Most, North Macedonia

Name of project and location, river
Boskov Most, Mala Reka (river), North Macedonia

Project promoter
State-owned electricity utility ELEM (now Elektrani na Severna Makedonija or ESM)

Installed capacity
68 MW

Amount and type of financing per bank
EUR 65 million loan approved by the EBRD

Protected areas affected (where relevant)
Mavrovo National Park

Current status
Cancelled[27]

How groups engaged with the bank via advocacy channels and complaint mechanisms and how it went

Boskov Most was one of tens of hydropower plants planned in the Mavrovo National Park, renowned for its beech forests, alpine meadows, pristine rivers and streams. It hosts a vast number of unique species, including the critically-endangered Balkan lynx. But it was by far the largest, at 68 MW, with a 33-metre-high dam.

When Macedonian NGO Eko-svest initially became aware of planned EBRD financing for the Boskov Most plant in 2011, they contacted the Bank by email, submitted issue papers and organised meetings, laying out concerns regarding its impacts – particularly on the critically endangered Balkan lynx. At that time, it was estimated that around 15-20 individuals permanently inhabited the National Park, which served as a core breeding area.

However, the Bank was initially unreceptive to Eko-svest's arguments, promising merely to undertake additional monitoring of the lynx population. The EBRD Board approved the project on 8 November and the loan agreement was signed by the end of the year. One of the conditions was to undertake additional biodiversity monitoring, but this was to take place after the loan agreement signature, meaning there was

[27] EBRD, Project Summary Document for Boskov Most.

no guarantee – at least none that was publicly available – that the results of the monitoring would have any impact on whether the project went ahead.

Eko-svest therefore submitted a complaint to the EBRD's Project Complaint Mechanism, as it was then called, in late 2011, requesting a compliance review with the EBRD's 2008 Environmental and Social Policy. The Compliance Review was completed in January 2014. It did not accept all the points made by the complainant, but it did determine that the assessment of the Project's potential impacts on biodiversity and living natural resources was not sufficiently comprehensive and conclusive to satisfy the requirements of Performance Requirement 6 of the 2008 ESP.[28]

Despite the EBRD having already approved the loan for Boskov Most, the project was slow in moving forward. Eko-svest, with support from Bankwatch, used the time to continue advocating towards bank staff and Executive Directors, providing regular updates on different aspects of the project, such as commenting on the post-approval biodiversity monitoring.

Bit by bit, new and useful information started coming to light. For example, while the Boskov Most project was initially estimated at EUR 84 million, the lowest bid offered during the tender for a main contractor came in at EUR 140 million.[29] In late 2014 the environmental permit also expired, and the project promoter had failed to request an extension. So under national law, a new environmental impact assessment process would have to be done again from the beginning.[30]

In 2013, Eko-svest decided it was time to involve other parties, and submitted a complaint to the Bern Convention, since Mavrovo was not only a National Park, but also a Candidate Emerald Network site. An on-the-spot appraisal took place in 2015 and concluded that the zoning in the National Park was not appropriate to secure the protection of species, landscapes, and biodiversity as most activities were allowed within 50 per cent of the area. As a result, the Bern Convention Standing Committee recommended suspending all government projects, in particular the hydropower plants, in the Mavrovo National Park, until a Strategic Environmental Assessment was completed.[31]

As a result of this decision, the EBRD suspended, but did not yet cancel financing for the Boskov Most plant. In addition to the EBRD's financing for Boskov Most, the World Bank was also considering a USD 70 million support for the Lukovo Pole hydropower plant in Mavrovo, however this was cancelled shortly after the Bern Convention's 2015 Recommendation.[32] The EBRD finally cancelled the loan for Boskov Most in January 2017.[33]

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[28] European Bank for Reconstruction and Development, Project Complaint Mechanism Compliance Review Report, Complaint: Boskov Most Hydropower Request Number: 2011/05, *European Bank for Reconstruction and Development*, January 2014.

[29] CEE Bankwatch Network, Boskov Most hydropower plant, Macedonia, October 2014.

[30] Ibid.

[31] Convention on the Conservation of European Wildlife and Natural Habitats, Hydro power development within the territory of Mavrovo National Park.

[32] World Bank, Lukovo Pole Water Regulation and Renewable Energy Project.

[33] Eko-svest, Front 21/42, CEE Bankwatch Network, Destructive hydropower project in Macedonia loses its only source of funding, *CEE Bankwatch Network*, 23 January 2017.

The Macedonian government never openly cancelled Boskov Most and Lukovo Pole, but the two plants were not included in the national energy strategy adopted at the end of 2020, or the National Energy and Climate Plan adopted in May 2022.

In 2021, a further Bern Convention online advisory mission was carried out, resulting in Recommendation no. 211 (2021), which called on the Macedonian government to suspend and cancel planned and approved concessions for construction, and implement a ban on hydropower plants of all sizes in national parks, protected areas, World Heritage Sites and other candidate Emerald sites (potential future Natura 2000 sites) and those that will impact on these locations if constructed outside their boundaries.[34]

Main lessons learned and tips for other groups

- Although it's best to raise concerns about projects at as early a stage as possible, the story does not stop when the banks approve and sign loans for projects.
- For the public profile of the campaign, a main focus point is quite useful – in this case the Balkan lynx.
- New issues will emerge over time – the campaign should make the most of them.
- Although international complaint mechanisms are non-judicial, they can make a positive impact.

Photo: Malenki - Own work, CC BY 3.0

[34] Convention on the Conservation of European Wildlife and Natural Habitats Standing Committee, Recommendation No. 211 (2021) of the Standing Committee, adopted on 3rd December 2021, on conservation measures within national parks in North Macedonia, including in relation to Mavrovo National Park and Lake Ohrid and Galichica National Park.

Nenskra, Georgia

Name of project and location, river
Nenskra Hydropower Plant, on Nenskra and Nakra rivers, Svaneti, Georgia

Project promoter
Joint Stock Company (JSC) Nenskra hydro, founded by the Georgian JSC Partnership Fund (10 per cent) and K-waters (Korea Water Resources Corporation)

Installed capacity
280 MW with projected 1,200 GWh annual output

Amount and type of financing per bank
Total project costs USD 1.08 billion, with 75 per cent of funding supposed to come from public sources.

- The Korean Development Bank (KDB) has already provided a USD 86 million loan.
- The EBRD approved a USD 214 million loan together with an additional 5 per cent equity share (USD 15 million) in early 2018, and the EIB approved a USD 150 million loan around the same time. But as of January 2024, neither of the banks have signed loan agreements.
- The AIIB is considering USD 100 million.
- The ADB is considering awarding the project a USD 314 million loan.

Protected areas affected (where relevant)
Svaneti National Park, designated by the Georgian government in 2010. This area is also intended as an Emerald Site, under the Bern Convention on the Conservation of European Wildlife and Natural Habitats.

Current status
In limbo

How groups engaged with the banks via advocacy channels and complaint mechanisms and how it went

The Nenskra hydropower plant in Svaneti, Georgia, is controversial because of its impact on the Svans – a local ethnic group with unique cultural and religious traditions – and on the environment. The Svans have already felt the negative impacts of the existing Enguri Dam and since 1979 have been resisting the construction of the planned Khudoni Dam, which is 20 kilometres from the planned Nenskra project and involves the resettlement of 2,000 people. Various attempts have been made to build the Khudoni dam, with the last one cancelled in 2020.

The Nenskra project, approved by the Georgian government in 2015, has been criticised for not recognising the cultural and property rights of the Svans and failing to adequately assess impacts on their livelihoods and biodiversity. The inadequate assessment of the project and disregard for local people's opinions have further increased public resistance.

The project does not meet the environmental and social standards of the international financial institutions. The main contractor, Italy's Salini Impregilo, started preparatory works in 2015. However, after massive public protests, JSC Nenskra was forced to redesign the project. As a result, the plant type, height and

location of the weirs were changed to increase the safety of the local population and the environment. Still, the continuation of the project looked likely when the EBRD and EIB approved financing in early 2018.

In March 2018, the Svan communities in Georgia made a significant move against hydropower projects. They held a traditional council meeting, known as a Lalkhor, and issued a joint declaration asserting their rights over the territory of Svaneti and their duty to protect its nature. They unequivocally prohibited the construction of hydropower plants and any activities harmful to nature, livelihoods, and cultural heritage in Svaneti. This includes the planned Khudoni, Nenskra, and Mestiachala hydropower plants, as well as more than 50 others.

In parallel, representatives of the Chuberi and Nakra local communities and CSOs submitted complaints to the banks' redress mechanisms. As a result, after a preliminary investigation, in early 2018 the ADB Compliance Review Panel found clear evidence of non-compliance on several issues, including inadequate assessment of project alternatives, noise and vibration impacts during construction and operation, health and safety risks to the local population, and lack of assessment of the environmental impacts of associated facilities. The Panel asked the Board to investigate further. However, the Board of Directors asked the ADB management to prepare a management action plan to address the non-compliance, as they considered this the most cost-effective alternative.

Nevertheless, in the beginning of 2018, Salini Impregilo left the project without explanation. According to JSC Nenskra, the contract was mutually terminated by the parties, but it remains unclear what led to this move, as well as the terms of Salini's departure. The promoters had to hire a new contractor, which made it likely that the project's contractual structure would undergo critical changes and that significant cost overruns would occur. So the ADB management put the preparation of the action plan on hold until a new contractor could be found.

In January 2019, the Georgian Ministry of Environmental Protection and Agriculture re-approved the decision on the environmental impact of the Nenskra project based on new documentation. This approval violated the Georgian Law on Environmental Impact Assessment, as it did not include any public consultation and did not take into account changes to the project and its surroundings, including the impact of devastating floods in July 2018. Local residents, angered by this decision, filed a lawsuit with the National Court to have the decision annulled.

In parallel, the villagers waited patiently for the results of the complaints they had submitted together with Green Alternative and Bankwatch to the EBRD and EIB's compliance mechanisms in June 2018. It was not until late summer 2020 both mechanisms informed them of their findings that the project did not meet the banks' human rights and environmental protection standards.

Both complaint mechanisms found that the banks' policies regarding indigenous peoples had been violated. According to the indigenous people's expert consulted by the mechanisms, good international practice is to '*consult a self-proclaimed indigenous community concerning the application of any eligibility criteria that will be used in the determination of whether the group constitutes an indigenous people. Such consultation would be part of project due diligence, and will demonstrate good faith in the question of determining whether the eligibility conditions are met*'.

Other points of noncompliance included failure to properly consider alternatives, cultural heritage protection, addressing gender challenges, the assessment and management of environmental and social impacts, labour influx, information disclosure, and engagement of local communities. The EBRD's compliance mechanism found that the project was incompatible with five out of ten of the bank's performance requirements.

CSOs also made use of economic arguments to question the project. The government's claims that Nenskra would be an energy security cornerstone for Georgia's economic development were questioned when the confidential JSC Nenskra contract with the Georgian government was leaked and revealed high costs and risks for Georgia and low risks for the company.

The International Monetary Fund and a leaked World Bank report also stressed the fiscal risks for the country. The World Bank estimated that between 2022 and 2041, Nenskra would incur over EUR 1.8 billion in fiscal costs and would be the largest of all the planned hydropower projects in the country, as it was subject to a long-term power purchase agreement in which the electricity would be purchased at the highest price among all the planned hydropower plants for a period of 34 years.

In addition, the costs of the Nenskra project are expected to increase further due to other problems, including the fact that no new main contractor has been confirmed. However, no moves have been made since then and no construction is happening on the ground.

In December 2019, South Korean media reported that Hyundai Engineering & Construction (Hyundai E&C) together with the Turkish company Limak had won a USD 737 million tender to build the plant. As a follow up to Hyundai E&C's involvement in a series of financial and corruption scandals, the EIB in November 2020 agreed 'that Hyundai remains eligible to participate' in the Nenskra project, as long as it complies with the terms of an agreement reached with the bank.

As well as engaging directly with the banks, CSOs also made use of the Bern Convention. In 2016, the Georgian government decided to dramatically shrink the area of the proposed Emerald Site, practically excluding those areas slated for the development of the Nenskra hydropower plant and multiple other hydropower projects, without even notifying the Bern Convention Secretariat. Green Alternative and Bankwatch submitted a complaint about the possible threat posed by Nenskra to Svaneti 1 as a Candidate Emerald Site.

The Bern Convention Standing Committee examined the matter and in its April 2020 meeting noted '*the concerns of the complainant on the reduced scale and scope of the proposed Emerald Network sites, which exclude areas where hydropower plants are planned to be constructed, the lack of protection of large rivers and the lack of strategic planning for hydropower development in Georgia*'. It also '*invited the authorities to envisage a national plan for the protection of water courses to avoid the situation replicating in other Emerald Network sites*'.

In 2023, JSC Nenskra reported about GEL 400 million loses in 2022, while at the end of the year, the Georgian government announced that the company would either have to agree to new conditions in the contract or it would be terminated.

Main lessons learned and tips for other groups

- Relations and communication with local communities should be established as soon as possible, and the concerns of the community should be one of the major driving forces of the campaign.
- Communities should have access to all information and be part of decision-making.
- Svan communities have a very clear vision for their future development, which was a major stimulus for campaigning.
- CSOs and activists supported local communities in communication with government and banks, submitting letters and complaints, facilitating media coverage and providing specific expertise.
- It is important to ensure the safety of the local community representatives and activists on the ground and to prevent retaliation by creating a safeguard umbrella through media, the local ombudsman and other human rights institutions, responding in case of police attacks through relevant complaints, informing financiers etc.
- It is important to have a comprehensive analysis of the plant's impacts on the economy, social issues and environment.
- All participating banks should be addressed on the management as well as board level regarding the project, and all controversies should be presented.
- The corruption and human rights track record of project promoters should be studied.
- Connections with NGOs working in countries where the project promoter and contractors come from should be established, and media reporting in those countries should be facilitated if possible.

Moynak hydropower plant, Kazakhstan

Name of project and location, river
Moynak (Moinak) hydropower plant on the Charyn (Sharyn) River in the Almaty Region of Kazakhstan.

Project promoter
Moynak Hydropower Plant JSC, part of the Qazaq Green Power PLC subsidiary of Samruk-Energy JSC, the largest state-owned energy producer in Kazakhstan.

Installed capacity
300 MW

Amount and type of financing per bank
CDB: USD 200 million buyer's credit loan at 6.69 per cent interest rate, provided in 2008.
The Development Bank of Kazakhstan JSC (DBK) provided loans worth USD 118.6 million over the period 2006-2011.
The Moynak Hydropower Plant JSC also issued bonds on the Astana Stock Exchange to repay the loan.

Protected areas affected
Charyn National Park

Current status
Operating, seeking to expand energy production by 10 per cent via transfer of the free-flowing Kensu River into the Moynak hydropower (Bestiubinskoye) reservoir. (See Annex 1)

How groups engaged with the banks via advocacy channels and complaint mechanisms and how it went

The Moynak hydropower plant on the Charyn River was initiated in 1985 by the Soviet Union, but was discontinued in 1992 due to the economic crisis faced by the newly independent Kazakhstan. It was restarted by the Kazakh government in 2005 with USD 50 million provided by the Kazakhstan Development Bank (KDB) and construction undertaken by Kerneu Limited JSC. In 2006 a preliminary agreement with the CDB was reached for a USD 200 million loan, but actual financing was delayed until 2008. The project promoters also attempted (unsuccessfully) to get a loan from the EBRD. The European company Andritz delivered two 150 MW Pelton turbines and a spare runner for the Moynak hydropower facility, while the China Harbin Machinery Co. manufactured the power generators. The China International Water and Electric (CWE – a subsidiary of the China Three Gorges Corporation) was appointed as the engineering, procurement, and construction (EPC) contractor for the project. The Moynak hydropower plant was commissioned in 2012. It is supposed to serve as a dispatchable power source to cover peak loads in the South Kazakhstan region. Although its expected annual average output should be 1027 GWh, its actual power production fluctuates between 900-940 GWh.

To increase the annual power generation capacity of Moynak by 102 GWh, a project to divert the Kensu River's flow has been planned since 2015, but has not yet been implemented. The dam of the Bestubinsk water reservoir (238 million m^3), which feeds the hydropower plant is not designed to withstand maximum probable floods, but the authorities nevertheless issue operation permits.

The environmental group Green Salvation Ecological Society raised concerns regarding the Moynak plant's environmental impacts. They argued that since early feasibility studies for the Moynak dam in the 1970s scientists have warned, that changes in the natural hydrological regime of the Charyn River would lead to the degradation of floodplains in the Charyn Canyon and would destroy the last remaining groves of the Tianshan Ash (*Fraxinus sogdiana*) downstream of the dam.

The establishment of Charyn National Park in February, 2004 was undertaken to protect those natural habitats, but soon after its establishment the national park itself was threatened by the Moynak plant. The NGO was also concerned about the preservation of cultural sites, high seismic risks and the fact that many viable alternative solutions to the electricity demand in Almaty Region had not been considered in the project design process.

Green Salvation publicised the fact that the EIA for Moynak was approved by the Ministry of Environmental Protection in October 2005 despite conclusions from the State Committee on Forestry and Game management about its low quality and lack of attention to mitigation of key impacts on downstream ecosystems.

As the China Development Bank does not have useful grievance/communication mechanisms to communicate with concerned civil society stakeholders, Green Salvation had no chance to employ meaningful financial advocacy to make the bank and authorities reconsider the project. However, the NGO warned international banks in 2007 that their finance would likely be needed to complete the Moynak hydropower plant, and that international finance institutions should stay away from the project.

Main lessons learned and tips for other groups:

See Moynak Transmission Lines case.

Moynak Transmission Lines, Kazakhstan[35]

Name of project and location
Moynak Electricity Transmission Project, Kazakhstan

Project promoter
Kazakhstan Electricity Grid Operating Company (KEGOC)

Amount and type of financing per bank
International Bank for Reconstruction and Development (World Bank Group) – USD 49 million loan
Protected areas affected (where relevant)
Charyn National Park, Altyn-Emel National Park.

Current status
The transmission line was built, but the parks remained unfragmented by power lines.

How groups engaged with the bank via advocacy channels and complaint mechanisms and how it went

In late 2008, after the Kazakh Ministry of Energy and Mineral Resources failed to obtain an additional USD 75 million for the Moynak hydropower plant from the CDB, it sought funds from international financial institutions to build transmission lines from the newly built plant.

The transmission system for the project was developed at a cost of USD 48 million, which was financed by the World Bank (IBRD) in September 2009. The original design involved a 98 km-long, 220kV single-circuit overhead transmission line from the Moynak plant to the Shelek substation and another 215 km-long line from Moynak to the Saryozek substation. The latter one was later substituted by a 228 km-long, 220kV transmission line from Moynak to the Robot substation.

From the Moynak Electricity Transmission Project documents published on the World Bank's website and provided to Green Salvation by the grid company KEGOC in February 2009, it was obvious that the power lines would pass through the Charyn and Altyn-Emel national parks. The project developers claimed that the construction would not have a negative impact on flora and fauna. Meanwhile the Altyn-Emel National Park was already at that time included in the Tentative List of sites nominated for inclusion in the UNESCO World Heritage List and was finally inscribed in 2023 as the Cold Winter Deserts of Turan.

However, the documents provided by KEGOC to the World Bank did not mention that the construction of energy facilities in protected areas is not allowed under Kazakhstan's legislation. The Law on Specially Protected Natural Areas prohibits any activity in state national natural parks not related to the protection and operations of the parks and negatively affecting their ecological systems. The Land Code of Kazakhstan and other regulations contain similar prohibitive clauses.

[35] This case draws heavily on the rich materials from the website of the Green Salvation Ecological Society http://esgrs.org

Green Salvation argued that the construction and operation of the transmission line could adversely affect the habitats and migration routes of wildlife and flora. Moreover, the transmission line would have caused significant visual damage to unique mountain and plain landscapes, which are of great aesthetic value and are tourist attractions.

In order to obtain detailed information about the project, Green Salvation sent a number of requests to KEGOC, the World Bank Group, and to state agencies: the Ministry of Environmental Protection, the Ministry of Energy and Mineral Resources, the State Committee of Forestry and Game Management, and the directorates of both national parks. The responses officially confirmed that the transmission line was planned to be routed through specially protected natural areas.

As it turned out, at the time of submission of the project proposal to the World Bank Group, the project design had not been submitted for approval to the State Committee of Forestry and Game Management and had not been agreed with the directorates of both parks. During the state-sponsored EIA at the regional Department of Environmental Protection, the fact that the power line was planned to transverse protected areas was not considered at all. Consultations on the project with the interested public were conducted in violation of the Aarhus Convention (Article 6) and the Environmental Code of Kazakhstan.

In March 2009, a special page was opened on Green Salvation's website – 'The plans of KEGOC - a threat to national parks' – with links to detailed information about the project and all official correspondence.

On March 17, 2009, to support the campaign by the Green Salvation, CEE Bankwatch Network published on its website a call to support the campaign against the construction of transmission lines through parks and sent a request to the World Bank not to finance a project that violates the Bank's own rules, as the project also contravened the Bank's Operational Policy on 'Natural Habitats of Species' (OP 4.04) under the rules in place at that time. According to the OP, the Bank would not support projects involving significant alteration or degradation of critical species habitats, such as national parks. The letter suggested developing alternative transmission line routes that would not affect the parks. As a result, the Bank postponed the project appraisal from May to October 2009.

In May, an open letter was sent to the President, Parliament, the Ministry of Environmental Protection, the Ministry of Agriculture, the State Committee of Forestry and Game Management, and the Ministry of Energy and Mineral Resources. It was signed by 85 activists from Kazakhstan, Kyrgyzstan, Russia, Tajikistan, Turkmenistan, and Ukraine. After the letter and press releases were distributed, several dozen articles were published in Kazakh and international media.

In June, KEGOC recognized that the initially proposed routing of overhead power lines contradicted the requirements of the Law on Specially Protected Natural Areas, and on 17 June, it was decided to make amendments to the feasibility study of the project.

On 2 October 2009, public hearings were held on the updated feasibility study. The campaign ended successfully: the transmission line was built, but the parks remained unfragmented by power lines.

Ever since then, Green Salvation has been monitoring and documenting the status of the national parks in the Almaty region. In 2019 it reported continued degradation of the Tanshan Ash floodplain forest in Charyn National Park due to modification of the hydrological regime by the Moynak hydropower plant. In 2023, it

also commented on a proposed amendment to national legislation on land-use, forestry and protected areas, which would ease the use of lands with high conservation value for 'strategic and multi-purpose' infrastructure, including anti-mudslide dams and multiple-use reservoirs, which also may include renewable energy facilities.

Main lessons learned and tips for other groups

- The two Moynak Hydro cases show the obvious value of international financial institutions having environmental, social and corporate governance policies and participatory mechanisms.
- The second case also emphasises that work with international banks is not a substitution, but just an addition to communication with national agencies, press and the interested public.
- Finally, these cases are about persistence. Not being able to influence dam construction, the Green Salvation did not give up and intervened when the next opportunity arose, with more approachable financiers.

Rogun hydropower plant assessment studies, Tajikistan

Name of project and location, river

Energy Loss Reduction Project – A component on assessment studies for the Rogun hydropower plant, Amu-Darya River Basin in Tajikistan, was added as an Additional Financing Project long after the initial approval.

Project promoter

Government of Tajikistan, OSHPC Barki Tajik

Installed capacity

3600 MW

Amount and type of financing per bank

According to the World Bank's project completion report, the actual full project finance amounted to USD 44 million.
Of that, approximately USD 10 million was spent on Rogun assessment studies.

Protected areas affected (where relevant)

Tigrovaya Balka Nature Reserve (unique floodplain forest in Vakhsh River valley which in 2023 was inscribed on the World Heritage List)

Current status

In 2024 the project is under construction using the Tajik government's budget (up to 25 per cent completed), and the World Bank and AIIB approved USD 20 million in technical assistance to update ESIA and improve project management. They are considering financing the construction of the project in a coalition with several funders (see Annex 1).

How groups engaged with the bank via advocacy channels and complaint mechanisms and how it went

In 2006, the Tajikistan government decided to relaunch the construction of a giant dam in the headwaters of the Amu Darya River Basin, which was started in the Soviet Union and abandoned after Tajikistan became an independent country. Conceived in the 1970s, as a 335-metre-high dam with 13 cubic kilometres storage, the Rogun hydropower project on the Vakhsh River was supposed to become the tallest structure of its kind in the world and, supposedly, would help Tajikistan to gain self-sufficiency in electricity and even offer export opportunities. In 2006, the cost of completing the construction was roughly estimated at USD 3 billion.

The World Bank almost immediately supported the intentions of the government and in 2008-2009 facilitated consultations with the governments of the riparian countries (Kazakhstan, Kyrgyz Republic, Tajikistan, Uzbekistan, Turkmenistan, and Afghanistan). In 2010, the Government of Uzbekistan submitted an Expert Opinion that described the potential negative impacts and risks for downstream populations as a consequence of the plant's construction.

In 2010 the Tajik government and World Bank agreed to amend the ongoing Energy Loss Reduction Project (originally related to electricity and gas distribution) to include additional financing for assessment studies

on Rogun (a techno-economic assessment study and an environmental and social impact assessment (ESIA)) and technical assistance, to examine the technical, economic, social and environmental viability of the proposed Rogun plant in accordance with the Bank's policies and procedures. The World Bank repeatedly underlined that the proposed restructuring did not contain financing for the actual construction of the plant. The project restructuring was approved in early 2011 and the project implementation completed in 2015.

On 7 October 2010, three leaders of the Ecological Movement of Uzbekistan, representing 100 Uzbek NGOs, addressed the World Bank Inspection Panel with a request for investigation of the Energy Loss Reduction Project in Tajikistan.[36] In their opinion, the Bank was carrying out a one-sided evaluation of the tender procedures for the environmental assessment of construction of the hydroelectric power station, and did not take into account the interests of all parties, including those countries which are located downstream on the Amudarya river.

They stated that the design of the power station was developed in the 1960s and did not take into account ecological and social impacts, which they further listed and supplied a brochure with detailed description. They insisted that Rogun would be constructed on a fault line where earthquakes could reach magnitudes of category 9 on the Richter scale and a failure of the dam would create waves that would destroy several hydroelectric power stations downstream and over 700 settlements in Tajikistan, Afghanistan, Uzbekistan and Turkmenistan, as well as devastate vast agricultural areas. They also expressed fear that filling the reservoir could take seven to eight years, leading to a number of negative consequences. The complainants feared that this would cause an increase in water shortages, a reduction in the size of the cultivated area, and a decrease in land productivity affecting income, living standards and survival ability of affected people in Uzbekistan and Turkmenistan. They also predicted catastrophic consequences from the deterioration of biodiversity and disappearance of large areas of riparian (tugay) forests.

The complainants had made several efforts to communicate with the World Bank staff, including complaints made in July and August 2010 to which they received 'obscure and not clear' oral responses. Since they were not satisfied with the Bank's response, they asked the Panel to recommend to the World Bank's Board of Executive Directors that an investigation of these matters be carried out.

The Panel registered the complaint and engaged in communication with the Bank's management to get its written response, and on 23 December 2010 issued an Eligibility Report. The Report stated that most issues raised in the complaint refer to potential harm related to the Rogun plant which is 'yet to be designed' and which the Bank had not (yet) committed to fund. Therefore, regardless of how reasonable and justified the positions of the complainants may be concerning the proposed plant, at that stage the only issues that were relevant, and could be considered by the Panel, were those related to the activities that the Bank was supporting: the assessment studies. Therefore, the Panel could address only the claim that the way these studies were designed, through a credit to the Tajik government, would not allow the participation of downstream parties on an equal footing and ensure that their concerns would be fully considered and addressed.

[36] All documents related to the Inspection Panel case can be found here, in English or Russian.

To recommend a project for investigation, according to the rules then in force at the bank, the Panel had to document that the complainant had already unsuccessfully negotiated with the World Bank project staff, that the World Bank had violated its operational policies and several other requirements.[37]

The World Bank Management at first denied that it had ever been approached by Uzbek NGOs on the matter, but later acknowledged that one of the signatories to the request was present at a Rogun-related meeting and presented the information brochure to the bank staff. Therefore the Panel ruled that the complainants had made a good faith effort to raise their concerns with Bank Management.

Then the Panel had to decide whether '*a serious violation by the Bank of its operational policies and procedures has or is likely to have material adverse effect upon the requesters*.' The Panel noted that carrying out assessment studies on a transboundary project through an agreement with an upstream country could indeed raise fears among downstream stakeholders about their ability to participate on an equitable basis and ensure that their concerns are appropriately considered and addressed.

However, it also emphasised that the Bank had agreed to separately finance and manage additional components to address the fears and concerns of downstream riparian states, '*including the establishment of two Panels of Experts, a study of alternatives, and a structured program of riparian consultations*' which, according to the World Bank Management response, included '*a study of possible institutional arrangements or mechanisms for managing and monitoring agreed water management regimes (i.e., reservoir operations), which may encompass an international oversight body or similar systems to ensure transparency and compliance*'.[38]

The Panel also concluded that the issues raised in the complaint had been reflected in the Terms of Reference (ToR) of the proposed assessment studies to be financed under the project.[39] It also quoted the Management Response, which stated that the Bank had successfully urged the Tajik government to notify the riparian States about the studies in December 2007; that the ToRs had undergone extensive consultations with their governments, including Uzbekistan, which submitted its Expert Opinion; and that this input was integrated into the ToRs. The Panel was therefore satisfied that there was adequate evidence of the Bank's intention to comply with its Operational Policies and did not recommend an investigation of whether the Bank had complied with its operational policies and procedures.

It did, however, welcome the complainants or others to come to the Panel at a later stage in the event that the assessment studies deviated from the Banks' policy requirements in a way that could lead to harm to affected communities. The Panel also included a disclaimer, that its recommendation also did not preclude the possibility of a future claim, relating to compliance and harm, in the event that the Bank decided to finance the actual construction of the Rogun hydropower plant or a related alternative.

Aftermath: By 2014, the ESIA and techno-economic assessment study for the Rogun hydropower plant had been produced and the wider process included five international regional consultations. The project documents were published for public comments in advance. However, the key intention of the World Bank

[37] Its current operating procedures, adopted in December 2022, can be found here.

[38] Footnote 42 in the Eligibility report English version, 23 December 2010; Russian version, 23 December 2010.

[39] The authors have not verified this independently, but the real problem is that not all those issues were reflected in the resulting ESIA study.

failed, as the process did not produce a credible study or plan of '*institutional arrangements or mechanisms for managing and monitoring agreed water management regimes.*'

This is clearly reflected in the final position of the World Bank, which announces that 'if everything goes right' the Rogun plant's construction is feasible, but countries have to reach a new agreement that allows for benefit-sharing, credible monitoring and ensures mutual trust and accountability.

The ESIA pretended that the creation of the giant Rogun hydropower plant would not lead to any changes in transboundary water flow, a proposition that is neither believable, nor practical, given the scale of investment and the need to better manage common water resources. A new 'update' of the ESIA, which was undertaken in 2022-24, completely disregards potential impacts on transboundary waters and ecosystems downstream of the Vakhsh Hydropower Cascade. No regional consultation has been announced as of 1 February 2024 and not all disclosable documentation is available to the public. Therefore, in essence, the main arguments voiced by the Ecological Movement of Uzbekistan are even more valid in 2024.

Social costs of the Rogun project

The ESIA (2023) states that a total of 46,628 people from 69 villages in the districts of Rogun, Nurobod and Rasht will be involuntarily resettled. The resettlement process is being carried out in several phases. According to Human Rights Watch, '*the government has resettled 1,500 families to other regions of Tajikistan since 2009. Although the government has pledged to comply with international standards on resettlement that protect the rights of displaced people, it has not paid displaced families the compensation necessary to replace their homes or restore their livelihoods. Many families have been severely affected in their access to housing, food, water and education.*'[40]

In an audit, the World Bank claimed that only 2089 people - 289 households - were resettled from the six affected villages under the RAP (Resettlement Action Plan) Phase 1. The Bank claims that these resettlers were free to choose which new resettlement sites they wanted to live in, that they received adequate financial compensation and built replacement houses, and that they received land as an additional benefit. The Bank claims that '*In accordance with the approved master plans of new settlements, engineering communication facilities, health centers, as well as educational institutions were built and commissioned.*' and that even qualified community specialists and community offices were established in the new resettlement areas.[41]

However, reports by international groups and independent experts, including Human Rights Watch, paint a different picture. They show that people's living standards have deteriorated since resettlement because they have lost land, there are no jobs and access to essential services such as water and schools in their new settlements is poor. At the same time, the homes of those who were not resettled have been damaged by

[40] Human Rights Watch, UPR Submission Tajikistan September 2015 & Addendum April 2016, Addendum to UPR Submission, Tajikistan , April 2016.

[41] Baker Tilly Tajikistan, Resettlement Audit of the Flooding Zone of Rogun HPP Stage I, World Bank, 2018.

the vibrations caused by the construction work.[42] In addition, numerous reports draw attention to the plight of the construction workers on the project, who on at least one occasion were not paid for months on end.[43]

The ensuing media outcry in 2014-2015 forced the government of Tajikistan, known for its poor administration of justice, to monitor and control the communities. According to independent evaluators, they were forced to stop speaking to those affected on the ground after receiving '*too much attention from the local security services. In order not to jeopardise our informants, we avoided asking ordinary Tajik citizens directly for their opinion on Rogun unless we had a well-established and trusting relationship. We could not safely speak to people who were directly affected by the resettlement programmes*.'[44]

The resettlement phase of RAP2 is still ongoing. The President of Tajikistan reported in mid-2023 that 3,211 families, i.e. about 15,000 people, had been resettled and provided with their own plots of land.[45] Noticeably, since 2015, no independent reports, including in the media, have been published about the people resettled from Rogun. However, for Tajikistan, labelled as one of the most repressive countries in Central Asia, this should not be surprising. The Freedom in the World Review 2023 report rates Tajikistan with only 7 out of 100 possible points and highlights the numerous restrictions on journalists, human rights activists and community organisations, followed by the imprisonment of reporters and bloggers.[46]

According to the World Bank's 2023 ESIA, future RAPs will cover the remaining villages, including 30,651 affected people to be resettled in the period from 2025 to 2032.

Rogun HPP by Rogun Dam Directorate

[42] Human Rights Watch, "We Suffered When We Came Here" – Rights Violations Linked to Resettlements for Tajikistan's Rogun Dam, *Human Rights Watch*, 2014.

[43] Central Asian Bureau for Analytical Reporting, Construction of Rogun hydroelectric power plant in Tajikistan: workers have not been paid since summer, *The Institute for War and Peace Reporting,* 18 December, 2020.

[44] Jeanne Féaux de la Croix and Mohira Suyarkulova, The Rogun Complex: Public Roles and Historic Experiences of Dam-Building in Tajikistan and Kyrgyzstan, *Cahiers d'Asie Centrale 25 - 2015 Water in Central Asia*, 103-132, 2015.

[45] Nigina Aslonova, 15 thousand residents were evacuated from the flooding zone of the Rogun HPP in Tajikistan, Asia-Plus, 10 August 2023.

[46] Freedom House, Freedom in the World 2023 - Countries and Territories, Freedom House, 2023.

Main lessons learned and tips for other groups

- Developing a paper trail of correspondence with the international banks' project managers is essential for making complaints later on. Most complaint mechanisms do require some attempt to have been made to provide published CSO concerns to the bank staff before approaching them.
- Complaints, to the extent possible, should emphasise damage, which either has been done or is imminent, preferably with very good legal backing regarding the omissions made by the banks or their clients. In this particular case, the terms of reference for the assessments included most of the points listed by the complainants, while it could be more productive to point specifically to the gaps in those ToRs.
- NGOs must be able to act independently of their governments and insist that agreement with the government does not relieve the bank from consultations with civil society in all affected countries.
- Coming back with additional complaints may be useful, when the bank management does not fulfil its commitments in the course of project implementation. Given the longevity of the Rogun project, this is still a promising opportunity.
- In countries where the political situation allows it, it is important to strengthen the cooperation of local and national groups with human rights groups and various UN bodies and to ensure a constant flow of information on problems, applying all precautionary principles and involving civil society organisations from donor countries to increase their commitment to the project.
- The issues related to involuntary resettlement could potentially affect the Bank's decision not to finance the project due to reputational risk, as was the case with the World Bank in 2015. Therefore, the issues related to human rights violations during resettlement should be verified and documented wherever the political situation allows it.
- International banks are not always able to see the wider regional picture and dynamics, so these should be spelled out. The World Bank's 2020 project performance review of the Energy Loss Reduction Project rated the results as 'moderately unsatisfactory' and the Bank's performance as 'unsatisfactory', but displayed rather crooked logic: It praised the Rogun assessment studies as the top achievement: '*World Bank's convening capacity can contribute to resolving politically complex and technically demanding development issues that cut across national boundaries, by creating a transparent and inclusive consultative process, and marshaling globally recognized expertise. (...) Engagement of eminent global experts and transparent communication of discussions ensured that the studies were credible and acceptable to all stakeholders.*'
- But then it rates the World Bank's overall performance in the larger project 'unsatisfactory' because the Bank '*did not identify risks relating to the gas sector, which was vulnerable to disruptions in imports from Uzbekistan. This had clear implications for energy security and the winter energy needs of rural and lower-income beneficiaries. When risks to the gas sector were realized during project implementation, there was no clear response evident from supervision documents or in project restructuring*'. Similar to the Bank itself, this evaluator fails to connect the dots and recognize that the disruption in gas supply was due to a rapid deterioration of energy cooperation and political relations between Tajikistan and Uzbekistan that was primarily driven by Uzbek concerns related to the Rogun hydropower plant, which objectively presents a serious threat to the security of downstream countries.

CASA 1000 transmission lines, Tajikistan

Name of project and location, river

Central Asia South Asia Electricity Transmission Project – CASA-1000 (P145054) in Afghanistan, Kyrgyzstan, Pakistan, Tajikistan, plus associated projects.[47]

Project promoter

Da Afghanistan Breshna Sherkat, National Electric Grid of Kyrgyzstan, Barki Tajik, Pakistan's National Transmission and Despatch Company (NTDC).

Amount and type of financing per bank

World Bank: IDA USD 526 million, approved in 2014, of which USD 296 million consists of a grant.
Other donors: Islamic Development Bank, EIB, EBRD, Foreign and Commonwealth Development Office (UK) and the US Agency for International Development.

Total project cost

USD 1126 million (likely underestimated due to many associated projects multiplying over time).

Protected areas affected

Tigrovaya Balka Nature Reserve (unique floodplain forest in Vakhsh River valley)
Current status
Financed and under implementation in Tajikistan and Kyrgyzstan. Stalled in Afghanistan.[48]

How groups engaged with the banks via advocacy channels and complaint mechanisms and how it went

Once the integrated energy system of the Soviet Union was replaced by aggressive competition between Central Asian countries, the electricity market deteriorated and upstream Tajikistan and Kyrgyzstan, which possess large hydropower plants, were left with severe winter energy deficits and huge summer-time surpluses due to natural seasonal variation in river flows. A group of international development partners led by USAID and World Bank masterminded an electricity transmission scheme to supply 1300 MW of electricity from these countries' hydropower plants to Pakistan and Afghanistan 'during summer time'. The project's original timeframe was 2014-2020, but due to delays, as of December 2023, its completion was expected in late 2025.

On 21 April 2014, the Inspection Panel received a Request for Inspection from Ms. Tursunbaeva of the NGO Shark Ayoli (Women of the East Public International Women's Fund), Uzbekistan, on behalf of 29 civil society representatives from Uzbekistan, one from Kazakhstan and 16 from other non Central Asian countries.[49]

[47] According to the World Bank, these consist of P181219, P181218, P167898, P169978. However the list may be incomplete.

[48] World Bank, Implementation Status & Results Report, December 2023: '*The construction contracts for the infrastructure of CASA-1000 project across the four countries are in place. The work is progressing well in all the countries for their respective project components. However, the political situation in Afghanistan has led to a suspension of work in that country.*'

[49] Documentation related to the case can be found here, in English and Russian.

The complainants alleged that the project would '*violate the coordinated order of water use and provoke a conflict between the Central Asian countries over management of shared water resources*' and that by supporting it the World Bank violated its Operational Policies, including on Projects on International Waterways.

The complainants attached an expert analysis done by two high-ranking hydropower and grid engineers from Uzbekistan, which in their opinion showed that the CASA-1000 project was based on false assumptions and superficial calculations that cause reasonable doubts about the possibility of timely completion within the approved budget and ensuring the desired effect.

The complainants insisted that the World Bank's responses on the issues examined therein were insufficient and did not contain a comprehensive and thorough environmental impact assessment or risk assessment on the scale of the Central Asia region. '*The Project had been discussed with the riparian countries' governments only and had not passed the public debate in the Central Asia countries which are directly affected by the project. Receiving feedback from the local farmers community, academic circles and ecological non-governmental organizations would reveal the whole range of negative effects related to the CASA-l 000 implementation*.' The complainants also reinforced their argument with four specific issues:

1. A change of dam operation regime to focus more on electricity generation may lead to downstream flooding and other undesired consequences in riparian countries;
2. The technical condition of the existing hydropower plants and equipment does not allow the project to reach the target power production and will cause high risks of manmade disasters.
3. The project would cause substantial damage to flora and fauna in Central Asia due to construction of transmission facilities, dissection of migratory routes and vegetation clearing.
4. The project would change the operating regime to exacerbate water scarcity and droughts in the river Amudarya and Syrdarya's lower reaches, but would also increase energy deficit in Tajikistan and Kyrgyzstan. It would encourage the attempts of the exporting countries to increase the generating capacity by building additional large-scale dams, such as Rogun in Tajikistan, which would sharpen tensions in Central Asia.

The Panel dismissed the request,[50] on the following grounds:

A. The complainants were not in the countries where the project is located, and
B. The Panel could not determine the existence of a plausible link between the project and the harms alleged by the complainants.

It also said that initially the request had been submitted without prior communication with the Bank management, but the complainants were given an opportunity to correct that and submit the request a second time.

[50] The Notice of Non-Registration is available in English and Russian.

The Panel made a very revealing statement to justify inconsistency with its previous findings in other cases: '*(...) while the Panel practice has previously established that Requests may be registered in cases where there are plausible transboundary impacts of the Project on the Requesters, even when they are not in the country where the Bank-financed project is located, in this specific case the Panel determined that the plausible existence of downstream transboundary impacts has not been clearly established. The transboundary impacts and potential harm from changes in the water regime alleged by the Requesters are not directly attributable to the Bank supported Project.*

The Panel emphasizes that the above conclusion is based on the premise that the Project will not alter existing water regimes… The Panel therefore notes the critical importance of ensuring the maintenance of existing water sharing agreements in going forward.'[51]

The Panel abstained from responding to the request to engage not only governments but also civil society stakeholders in project-related consultations. It also disregarded the allegation about the biased technical and economic assumptions on which the project is based, although it may lead to further massive environmental and socio-economic impacts, and did not react to the appendix with arguments prepared by experts.

In conclusion, the Panel also noted that the complainants were concerned about any potential changes in upstream water management regime, including the possible construction of the Rogun dam in Tajikistan, and suggested that *'this would be the context in which a future request may be brought on the basis of the financing of such potential projects*.'

Aftermath: The CSOs' prophecy about the false assumptions and inevitable delays of CASA-1000 Project has been fulfilled, and the prediction that the future price of electricity and project development costs do not match will be fulfilled if the troubled transmission line ever starts working. The participating governments have already doubted the necessity of this endeavour and the practicality of having a grid that functions only in summer. Despite the repeated statements that CASA-1000 would be fed exclusively from existing hydropower plants, in 2023 it was listed as one of important power transmission routes from the Rogun hydropower plant and is officially recognized in the 2023 ESIA as an 'associated project' of the plant.

Main lessons learned and tips for other groups

- It is worth reflecting why the Uzbek NGO community opted to delegate another less experienced NGO to make a new inspection request, instead of building on what had been done by the Green Movement of Uzbekistan in 2010 in relation to the Energy Loss Reduction Project. It looks like the second attempt was made without a full analysis of the outcomes from the first one.
- The selection of allies for submission cannot be made randomly. A multitude of obscure NGO-requesters, which have nothing to do with the subject matter of possible harm, does not add credibility to the request.

[51] The Notice also stated that 'the Project's Regional Environmental Assessment (REA) estimates that the volumes of electricity export and corresponding water releases under CASA-I 000 Project from both the Kyrgyz Republic and Tajikistan will remain within the range of historic maximum and minimum parameters. Furthermore, (...) *"the energy exporting countries confirmed that water releases from the Toktogul and Nurek HPPs will be made taking into account the irrigation requirement of the downstream countries and prioritizing supply to meet the domestic demand."'*

- In authoritarian countries, where addressing multilateral banks on sensitive issues may involve mandatory coordination with state agencies (e.g. for the safety of the requestors), the complainant may be easily perceived as an 'agent of the government' and their arguments will have less credibility with a complaint mechanism designed for 'civil society'. This presents local NGOs with difficult choices.

- Asking for support from international NGOs with a proven track record in financial advocacy could have helped to avoid some of the issues with the complaints in both cases.

- The case is quite illustrative of the general difference in thinking between CSOs and banks. CSOs' experience encourages scepticism towards official claims that negative impacts from mega-projects will not occur, but banks place considerable trust in their clients and governments and often use unsubstantiated promises by governments to abstain from the assessment of a full range of possible objective environmental, social and economic consequences of mega-infrastructure development. This leaves key sensitive issues unassessed and unaddressed.

Shuren and Orkhon dams, Mongolia/Russia

Name of project and location, river

Mongolia Mining Infrastructure Investment Support Project (MINIS) and its additional financing.
The project included the preparation of feasibility studies for a hydropower plant on the Shuren river and a water diversion project from the Orkhon river, both tributaries of the river Selenge, the largest river in Mongolia, which flows into Russia and empties into Lake Baikal.

Project promoter

Ministry of Finance, Mongolia (for World Bank technical assistance)

Installed capacity

Shuren 245 MW, Orkhon 33 MW +1000 km water pipeline to the users and mines in the Gobi desert

Amount and type of financing per bank

World Bank (IDA) USD 25 million (for the wider project)

Protected areas affected

The Lake Baikal World Heritage Site

Current status

Idle, but still listed in the Mongolian government's water and energy plans

How groups engaged with the banks, via advocacy channels and complaint mechanisms and how it went

MINIS was a Technical Assistance operation aimed at facilitating infrastructure investments to support mining operations in Mongolia. It was initially approved by the World Bank in 2011, with very few details on what would actually be done under the project except that it would finance studies for sub-projects. Additional financing was approved in 2014.

In 2012, once it became clear that the MINIS project would include feasibility studies for the Shuren hydropower plant and the Orkhon Gobi Water Diversion project, the Rivers without Boundaries coalition sent to the project management unit in Ulaanbaatar a detailed critique explaining why the assessment of better alternatives was crucial before the project proceeded with feasibility studies for dams.

In response the project management unit invited the group's experts to participate in bidding for defining the terms of reference for the Orkhon-Gobi pre-feasibility study. This was a difficult choice, but one of the Rivers without Boundaries experts was delegated to bid and won the job to develop a pre-feasibility study framework for water diversion from the Orkhon River in accordance with the World Bank safeguard policies. The intention was to make clear both for the client and the World Bank Management, that advancing this project as proposed may conflict with many World Bank policies.

Of particular concern was the provision of environmental flows in the Orkhon River, the conservation of riverine biodiversity (Baikal sturgeon and other migratory fish), the potential impacts on the Selenge Delta Ramsar wetland and Lake Baikal World Heritage site, impacts on nomadic culture and economy, the

obvious disadvantages of the proposed project compared with plentiful alternatives, and the need to assess the cumulative impacts with more than ten other dams proposed for the wider Selenge River basin in Mongolia.

The Government of Mongolia did not like the resulting ToR as it was centred around safeguards and rigorous assessment of alternatives, rather than the final engineering design of a predetermined project, but the project supervisors at the World Bank in Washington D.C. accepted the result as something designed in accordance with the Bank's policies and standards.

Rivers without Boundaries started requesting that the pre-feasibility study for the Shuren Hydro on Selenge River should be similarly focused on safeguards and assessment of alternatives and had some success in recruiting allies among officials and the expert community in Mongolia. Then the MINIS project management unit Director warned Rivers without Boundaries, that he would report those activities to the agency for national security, and shortly afterwards, in August 2014, the group's coordinator was deported from Mongolia without a right to return for 10 years.

When the MINIS Project in 2015 announced preparation of actual feasibility studies for both dams, a request for inspection was filed with the World Bank Inspection Panel[52] on 10 February, 2015 by Rivers without Boundaries' Mongolia and Russia members on behalf of potentially affected communities. The complainants from local communities were a diverse group that included local scientists, environmental NGOs, local municipal associations, a shamanist society, a group of fishermen and riverside bee-keepers.

The complainants alleged that the two sub-projects may have potential irreversible environmental and social impacts on the Selenge River in Mongolia and Russia's Lake Baikal, a World Heritage Site. They also raised concerns about the subprojects' transboundary and cumulative effects, and complained about lack of consultation and disclosure of information. At some point in 2016, the Russian Federation government, for its own political reasons, agreed with CSOs' demands for more consultations and assessments, which at the time was tactically beneficial, but in the long term somewhat complicated Rivers without Boundaries' transboundary work, as the Mongolian authorities are trying to frame the group as 'Russian agents'.

In July 2015, the World Bank Inspection Panel proposed to the World Bank's Board of Directors to defer for one year any recommendation on whether to investigate the complaint, as the commitments made by Bank management in its response to the complaint opened space to address the complainants' concerns and ensure that meaningful consultations took place with all stakeholders. A year later, in July 2016, the Inspection Panel again deferred its decision for another year in order to be able to assess the quality of the consultation process and the progress and scope of the project's ESIA.

In early 2016, the lead local environmental NGO in the Buryat Republic, the Buryat Regional Organization on Baikal (BROB) convinced the Administration of Kabansk Municipality (located in the Selenge River Delta) to hold self-initiated hearings on the potential impacts of all dams planned by Mongolia in the Selenge-Baikal Basin. Invitations were sent to World Bank MINIS Project staff, but ignored by the project management unit. The consultation followed the rules for stakeholder engagement practices prescribed by the World Bank policies.

[52] The documents related to the Inspection Panel case can be found here.

Letters about the results were sent to all the concerned parties by the Kabansk Municipal Administration through the official channels of the Russian government, and Rivers without Boundaries used them to highlight the issue in the media. The concerns and demands for proper consultation communicated by the Kabansk authorities finally made the World Bank realise that unless it insisted on the proper organisation of consultations under its own auspices, they could be held at the initiative of potentially affected municipalities without the MINIS Project staff's involvement but in full accordance with the World Bank policies.

Meanwhile, World Bank annual meetings and World Heritage Committee mechanisms were also utilised to keep decision-makers engaged on these cases. After Rivers without Boundaries and Greenpeace presented the problem to the World Heritage Center, the dams in Lake Baikal basin became a recurrent issue reviewed in each annual session of the World Heritage Committee, which requested Mongolia to incorporate sufficient assessments of impacts of each proposed dam on the value of the Lake Baikal World Heritage property in its feasibility studies, as well as to cooperate with Russia in carrying out a strategic environmental assessment (SEA) of all existing and potential water infrastructure projects in the Lake Baikal-Selenge river basin.

However, funding provided by the Russian budget for independent research on the potential dams' impacts on the hydrological regime was the most valuable contribution as it brought in authoritative scientific assessments performed by the semi-independent Russian Academy of Science. Potential harm to a World heritage property was also a strong deterrent for other potential investors like the Kuwait Fund for Arab Development, with whom the campaigners communicated separately by letters and through meetings with the Kuwaiti delegation at annual sessions of the World Heritage Committee.

In 2015-16 CSOs also initiated a petition on the AVAAZ platform which was supported by 70,000 people asking the World Bank as well as Mongolia, Russia and China to support solar and wind instead of hydropower and coal. Ever since this, dam-building has attracted the attention of a wide range of mass-media in Russia, Mongolia and internationally.

In 2017, the World Bank Inspection Panel, judging that the project was developing in a positive direction, made a decision not to recommend carrying out an inspection. Still, engagement with the Inspection Panel and the members of the World Bank's Board resulted in consultations on the project and its ESIA being carried out in 11 relevant sites in the Russian Federation and 25 relevant sites in Mongolia. This was the first time that consultations on potential transboundary impacts were prepared and carried out as required by the World Bank policies and standards in Mongolia.

As a result of CSO pressure, in 2017 the MINIS Project stopped and then dropped from its agenda the tenders for the feasibility studies and ESIAs for individual dams and instead started development and consultations on a terms of reference for a regional environmental assessment (REA - the shortest version of SEA) on existing and potential water infrastructure projects in the Lake Baikal-Selenge river basin. Unfortunately, due to lack of interest on the part of Mongolian Government the REA has never been implemented and the MINIS project was closed in 2019 without spending all its budget for assessments.

Main lessons learned and tips for other groups

- While not initiating a compliance inspection due to lack of harm on the ground from technical feasibility and impact assessment documents, the Inspection Panel caused the project management unit to carry out public consultations in Mongolia and Russia following the World Bank's policies and standards. These included the preparation of a non-technical summary of the projects prepared in local languages and delivered to potentially affected communities 14 days ahead of the announced consultation meetings.
- However, the project management unit and government also used this opportunity to promote the project in Russia and order the local governments in Mongolia to approve the projects (there were actually written orders to 'get the community to approve' the project).
- Preparation of local communities for consultations proved very useful. At the local level, in post-socialist countries, residents do not know their right to information; there is fear of retaliation as well as lack of knowledge of technical aspects to engage with project proponents and government authorities. Rivers without Boundaries Mongolia and BROB provided training on the right to consultations and helped communities formulate their questions and concerns.
- Rivers without Boundaries Mongolia sent a representative to monitor the consultations in Russia and two teams of staff and board members in the Shuren and Orkhon directions.
- Although productive cooperation with management units of a bank's projects is sometimes possible, such alliances are often shaky due to fundamentally divergent objectives towards a given project between the CSOs and client governments.
- International bodies such as UNESCO can be a useful complement to the use of banks' complaint mechanisms.
- Rivers without Boundaries Mongolia does not go to communities without their formal request for assistance and the right to represent them in communications with international accountability mechanisms, because national or regional CSOs may not be accepted as eligible for a case without such formalised relations with affected communities. In our experience, community driven cases are in most cases successful.
- Frequent updates are helpful in ensuring that complaint mechanisms keep abreast of the latest developments.
- A local initiative may have a decisive influence. An innovative element of this campaign was the BROB NGO teaming up with the local municipality to self-initiate a public consultation on the bank-supported project, which forced the World Bank to convince Mongolia to organise proper public consultations under the auspices of the MINIS Project.
- The solid backing of academic groups in the Russian Federation was invaluable. In Mongolia academia is not independent. Any ministry can dismiss even the lead researcher/evaluator's conclusion as a personal view.
- In case of advocacy on transboundary issues, the civil society team – to the extent possible – should consist of representatives from both sides of the border.

Egiin Gol hydropower plant, Mongolia/Russia

Name of project and location, river

Hydropower plants on the River Eg, a tributary of River Selenge in the Bulgan province, Mongolia, which empties into Lake Baikal, Russia.

Project promoter

Eg River Hydropower Plant state company

Installed capacity

315 MW

Amount and type of financing per bank

CHEXIM, USD 1 billion, signed in 2015.

Protected areas affected

Lake Baikal World Heritage Site

Current status

A report on additional assessment studies requested in 2015 by UNESCO was submitted to the World Heritage Center by Mongolia in 2023 and is under review as of early 2024.

How groups engaged with the banks, via advocacy channels and complaint mechanisms and how it went

The Egiin Gol River (along with the Orkhon River) is one of largest tributaries of the Selenge River in Mongolia, that is famed as the last stronghold of the Siberian Taimen - the largest salmonid fish in the world. The area is also especially rich in globally important archaeological sites. The first feasibility study for hydropower was carried out by the ADB at the end of the 20th century. Since 2006 it had been agreed between Mongolian and Russian water management officials that Russia would not object to the construction of the Egiin Gol hydropower plant, as long as the environmental flow regime was agreed between two countries. However local Mongolian communities residing in the Egiin Gol valley and businesses engaged in nature tourism and sport fisheries strongly objected to sacrificing this unique river for hydropower.

In 2015 Mongolia managed to secure a USD 1 billion CHEXIM concessional loan, primarily to support this hydropower plant, and in late 2015 the China Gezhouba Corporation started preparatory works at the construction site.

However, while Egiin Gol alone was of little transboundary relevance, it was raised as an issue due to the potential cumulative impacts of the Eg, Orkhon and Shuren dams on the Selenge River and eventually on Lake Baikal. The potential impacts were reflected in a report prepared in 2015 by the reactive monitoring mission of the World Heritage Committee / IUCN that visited the construction site and requested a cumulative impact assessment. In early 2016, the Rivers without Boundaries Coalition and Buryat Regional Organization for Baikal (BROB) wrote a memo explaining the environmental and social issues and potential impacts associated with this hydropower project and its relation with other dams planned in the Selenge

River basin. It was disseminated widely among all interested parties: Chinese and Mongolian officials, international organisations, stakeholders in the region, etc.

In addition to engaging with Mongolian decision-makers and energy sector stakeholders, Rivers without Boundaries engaged directly with CHEXIM, Gezhouba, Sinohydro and other potential investors, sending letters to top tier decision-makers with information on the potential risks of this project.

In early 2016, at the self-initiated hearings in Kabansk municipality on the shores of Lake Baikal dedicated to the World Bank MINIS Project (see the previous case-study) BROB convinced the Kabansk Administration to send additional letters to CHEXIM, the China Ministry of Commerce and several other Chinese agencies. The letters were sent through official Russian channels and Rivers without Boundaries duplicated this through informal channels. It also helped to highlight them in the media.

Much later, Rivers without Boundaries – through intermediaries – received 'huge thanks' from CHEXIM officials for alerting them in a timely manner that Egiin Gol was part of a transboundary river system. This probably triggered the demise of the dam construction: in Spring 2016 Gezhouba halted works at Egiin Gol and never restarted them.

In June 2016, Russia's President Putin also chose to make concerns about Lake Baikal and Egiin Gol part of his speech at a trilateral China-Mongolia-Russia meeting, which probably also contributed to the Chinese decision not to restart support for this project.

In late 2016, a review of the concerns about the project resulted in CHEXIM restructuring its loan to support other infrastructure projects in Ulaanbaatar, such as roads, bridges and universities. The Kabansk Administration, on the advice of the BROB NGO, sent follow-up letters to CHEXIM and other players to make sure they know that their action is appreciated and concerned stakeholders are continuing to monitor the situation. CSOs also insisted that the Egiin Gol hydropower plant must be included in the scope of the Regional Environmental Assessment under the World Bank MINIS Project. These developments likely contributed to the Mongolian Government's decision to close the project management office dedicated solely to Egiin Gol, which was funded by the Development Bank of Mongolia.

Unfortunately, much later part of the unused CHEXIM loan was also redirected to the very problematic Erdeneburen hydropower project in Western Mongolia.

Engagement with the Government of Mongolia, the relevant offices in the Russian Federation, the World Heritage Committee through World Heritage Watch, the World Bank and potential investors led to a World Heritage Committee recommendation[53] to reassess Egiin Gol's impacts on biodiversity and an agreement to carry out a regional strategic assessment by at least a bilateral team of experts. Later the Mongolian government carried out a unilateral biodiversity impact assessment with a French company and is using this document to shop for investment support, albeit without apparent success so far.

[53] World Heritage Committee, Decision 39 COM 7B.22 on Lake Baikal, 39th Session, 2015. Subsequent decisions were taken at the sessions in 2016, 2017, 2018, 2021 and 2023. All documents available at: https://whc.unesco.org/en/list/754/documents/

Main lessons learned and tips for other groups

- Help local communities connect with CSOs for technical support. CSOs had the capacity to access, collect, analyse and disseminate data through their networks. This is especially true in transboundary cases, where official exchange and collection of information by agencies is constrained by national borders and policies. In the Egiin Gol and World Bank MINIS cases, Rivers without Boundaries, BROB and allies gained substantial influence due to having superior ability to collect, compile and disseminate diverse project-related information. Digesting and delivering this information to local communities in the form of capacity-building was essential. In the case of communication with CHEXIM and Chinese agencies this was likely a decisive element of success.

- Due diligence at Chinese banks may be completely dysfunctional. In this case the CHEXIM realised that it had committed to finance a 'sensitive' project affecting transboundary waters only after getting a signal from Russian NGOs.

- China's policy banks, with streamlined decision-making processes, policies and procedures, reacted to CSOs' demands much faster and in a much more constructive way than a multilateral development bank like the World Bank, with all its policies and elaborate procedures. By March 2016, the Egiin Gol plant's construction was already effectively halted by CHEXIM, while the transformation of the World Bank MINIS project took several years.

- It was important to identify the key concern. In this case the cumulative impacts of many dams in one transboundary basin on a World Heritage protected site was the 'hook' which prevented Egiin Gol. Otherwise, despite its high domestic biodiversity importance, it lacked the support of international advocacy mechanisms.

- The case further highlights that projects with 'transboundary and cumulative impacts', even very hypothetical, may attract greater attention, partly because those relate both to environmental and social policies and international relations (waterways) policies of the multilateral banks. Besides, when a project happens in one country, while part of its negative impacts are expected to occur in another country, CSOs may enjoy greater freedom of expression, as not all governments involved share the economic benefits equally and thus the affected governments do not necessarily support the project.

- In a transboundary setting, the vocal presence of a concerned riparian party is normally of great help for convincing banks and other financiers, but at the same time it may negatively affect the perception of CSOs as genuinely independent players and make them accused (in this case falsely) of 'taking political sides' or even being 'foreign agents'.

Lengarica/Vjosa basin, Albania

Name of project and location, river

Lengarica hydropower plant (sometimes Langarica) on the river Lengarica, a tributary of the Vjosa.54

Project promoter

Enso Hydro Energji sh.p.k.

Installed capacity

8.6 MW

Amount and type of financing per bank

International Finance Corporation (IFC): 20 per cent share in Enso Hydro Energji sh.p.k., worth around USD 8.6 million.[55] The Green for Growth Fund (supported by the EIB, EBRD, KfW, Austria's OeKB etc.)[56] provided a loan of EUR 9 million,[57] and the Development Bank of Austria (OeEB) provided a loan of EUR 5 million.[58]

Protected areas affected (where relevant)

Bredhi i Hotovë-Dangëllisë National Park; Lengarica Canyon Natural Monument

Current status

Operating – but most other plants on the Vjosa have been stopped and the whole river declared a National Park.

How groups engaged with the banks, via advocacy channels and complaint mechanisms and how it went

In 2008, in an era when hundreds of concessions were issued for hydropower plants across Albania, mostly below 15 MW, a concession was issued to a company called Hasi Energji for two hydropower plants on the Lengarica river. In December of that year, the then government declared the Hotovë-Dangëllisë area a National Park. In 2009 the concession was changed to cover one plant, and in 2011, Austria's Enso took over the project, with equity support by the IFC.

The Lengarica plant is a derivation-type plant which diverts water from the river into a tunnel around 4 km long and then another one 3.7 km long. The section of the river whose water is diverted flows through the stunning Lengarica gorge, which is a protected area. The river is also well-known for its hot springs. Enso's first application for an environmental permit for the project was rejected, but after apparent political pressure, was approved.[59]

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[54] Enso HYDRO, Lengarica, undated, accessed 2 February 2024.

[55] International Finance Corporation, enso Albania, 29 August 2011.

[56] Green for Growth Fund, Building the Green Ecosystem, undated, accessed 2 February 2024.

[57] Green for Growth Fund, Project Finance, 2020.

[58] Oesterreichische Entwicklungsbank AG, Development Report 2013, May 2014.

[59] Aleksandra Bogdani and Lindita Cela, World Bank Financed Power Plant Threatens Albanian Canyon, Balkan Investigative Reporting Network, 14 November 2014.

Although Enso claims that it held a number of public meetings and information sessions,[60] these were only related to use of private land and not for the wider public.[61] In fact, the environmental impact assessment study does not even appear to have been translated into Albanian or made publicly available before the project was approved.[62] So, as has often been the case with 'small' hydropower projects in the Balkans, most people only found out about the project and started to react when construction began.

In October 2014, local people supported by the Albanian Organic Farmers' Association submitted a letter to several ministers, as well as the World Bank and IFC offices in Albania, putting forward a number of arguments regarding the impacts of the Lengarica hydropower plant on the National Park, canyon and hot springs.[63] The following month, several groups including the Center for Justice and Solidarity held a protest in Tirana against the construction of the plant.[64]

In parallel, an initiative to create a Vjosa National Park to protect the Vjosa and the remainder of its tributaries was launched by the PPNEA NGO with support from some local mayors in May 2014.[65] It was later carried forward by a coalition headed by EcoAlbania, together with high-profile campaigns to stop dams being built on the Vjosa, particularly the Kalivac and Pocem dams.

In June 2015, a complaint was lodged with the IFC's Compliance Advisor Ombudsman (CAO) by two local residents with the support of the Organic Agriculture Association.[66] They alleged that the project construction negatively impacted biodiversity, critical habitats, and ecotourism livelihoods, among other broader concerns related to project due diligence.

The complaint was found eligible for assessment in July 2015, and the CAO carried out a visit in September 2015. The parties initially agreed to engage in a CAO-facilitated Dispute Resolution process, however after the power plant became operational the complainants were no longer willing to meet with the company, which ended the mediation process. The case was then transferred to CAO Compliance for appraisal of the IFC's compliance with its environmental and social standards.

[60] Compliance Advisor Ombudsman, Assessment Report Regarding Community concerns in relation to IFC's enso Hydro Project (#30979) in Albania, November 2015.

[61] Compliance Advisor Ombudsman, Compliance Investigation Report, IFC Investment in enso Albania (Project #30979), Complaint 01: CAO Investigation of IFC's Environmental and Social Performance in Relation to its Investment in enso Albania (Lengarica Hydropower Project), 25 June 2018.

[62] Compliance Advisor Ombudsman, Compliance Investigation Report, IFC Investment in enso Albania (Project #30979), Complaint 01: CAO Investigation of IFC's Environmental and Social Performance in Relation to its Investment in enso Albania (Lengarica Hydropower Project), 25 June 2018.

[63] Compliance Advisor Ombudsman, Compliance Investigation Report, IFC Investment in enso Albania (Project #30979), Complaint 01: CAO Investigation of IFC's Environmental and Social Performance in Relation to its Investment in enso Albania (Lengarica Hydropower Project), 25 June 2018.

[64] Besar Likmeta, Albania Greens Rally Against Power Plant, Balkan Investigative Reporting Network, 14 November, 2014.

[65] EcoAlbania, PPNEA, Press Conference: Vjosa National Park – No Dams, 8 May 2014.

[66] The complaint, the CAO's report and monitoring reports can be found at: Compliance Advisor Ombudsman, Albania: Enso Albania-01/Lengarica, last updated 25 April 2022.

CAO released the investigation report in October 2018,[67] finding deficiencies in IFC's pre-investment review of the project, particularly regarding alleged biodiversity impacts. For example, Enso's Environmental and Social Impact Assessment failed to identify some endangered and endemic species; assess cumulative impacts emerging from the construction of multiple hydropower projects in the Lengarica river system; and assess the adequacy of proposed environmental flow metrics. However, the CAO considered that these had been addressed during project implementation, as additional biodiversity studies were commissioned and a biodiversity monitoring programme was established. It is not clear from the CAO's report how the cumulative impact and residual flow issues were to be resolved, however.

The CAO did identify some issues still needing to be resolved, however: the environmental and social assessment and monitoring information needed to be disclosed, the project's impacts on tourism needed to be assessed and mitigated; and the project needed to be aligned with the national park management plan. The CAO Ombudsman's investigation also did not address the rampant hydro-peaking that is severely affecting all aquatic creatures in the Lengarica River. Other issues were only partly addressed, and in April 2022 the CAO decided to close the monitoring process with a 'partially unsatisfactory' result.[68]

Although the Lengarica plant was built, however, it can be seen as a catalyst which galvanised Albania's environmental community into taking action to stop further dam development in the Vjosa basin. After many years of hard work, protests, lawsuits, coalition-building and other activities, this eventually led to the creation of the Vjosa Wild River National Park in early 2023.[69]

Main lessons learned and tips for other groups

- Proactive civil society scrutiny of concession-issuance and permitting processes is crucial in order to tackle problematic projects before construction. Formal requests for information may help in cases where authorities do not habitually publish such information.
- If an area is declared legally protected, it is crucial to proactively clarify what happens to projects whose concessions or permits were issued before the protection entered force, as authorities are usually reluctant to cancel them due to fear of arbitration procedures.
- The results from international financial institutions' complaint mechanisms can be rather hit-and-miss, so it is crucial to engage in regular communication with them to ensure they understand the issues. Engaging other more experienced civil society organisations to assist might also be of use.
- Even if a particular 'battle' is lost, it may still be used to spur people into further action to prevent similar projects from happening again.
- Having an alternative, positive vision for the future of a particular river can help to bring more allies on board and move beyond adversarial relations with the public authorities.

[67] Compliance Advisor Ombudsman, Compliance Investigation Report, IFC Investment in enso Albania (Project #30979), Complaint 01: CAO Investigation of IFC's Environmental and Social Performance in Relation to its Investment in enso Albania (Lengarica Hydropower Project), 25 June 2018.

[68] Compliance Advisor Ombudsman, Albania: Enso Albania-01/Lengarica, last updated 25 April 2022.

[69] EcoAlbania, Major success: River Vjosa becomes National Park, 15 March 2023.

Appendix I. Generic impacts and risks associated with water infrastructure

For better distinction of impacts we grouped dams and associated water infrastructure in three broad categories.

I. Medium or small run-of-river hydropower dam without significant reservoir

This group includes all dams which do not alter the flow regime of the river and do not withdraw water from the riverbed. Dams with small impoundments with volume less than six hours of river discharge also fall into this category.

II. Derivation: Large weir for water withdrawal into irrigation canal or derivation hydropower with tunnel or pipes.

This group includes all dams and weirs which direct part of the water from a natural river into an artificial canal, pipes or tunnel for productive use and then return the remaining water to a different place (typically many kilometres downstream).

III. Large dam with reservoir (typically multipurpose - for irrigation, water supply and/or hydropower)

This group includes all dams that create sizable impoundments (reservoirs) to store water and redistribute its daily/weekly or seasonal flow.

Degree/level of impact: we characterise the possible degree of impact as low, medium or high, while explaining its mechanism**.**

Note that checklists below describe generalized typical characteristics of dam projects. In case of particular dam projects, each of those impacts may or may not occur. Characteristics may be combined with sizeable hydropower reservoir also equipped with derivation tunnel downstream. The likelihood and magnitude of specific impacts from a given dam project must be determined in a dedicated environmental and social impact assessment (ESIA).

Table 1. Environmental impacts checklist

Environmental Impact type	I. Medium or small run-of-river hydropower dam without significant reservoir	II. Flow derivation: Large weir for water withdrawal into irrigation canal or derivation hydropower with tunnel or pipes.	III. Large dam with reservoir (typically multipurpose – for irrigation, water supply and/or hydropower
Disruption of free movement of aquatic animals	Medium: Dam blocks fish migration. Fish pass, if present, is only a partial remedy – often they are tokenistic and do not allow fish to pass at all.	Low to High: Excessive withdrawal may contribute to temporary drying of the river in dry years in low flow months. Weir may be impassable for fish	High: Blocks migration of fish and other organisms. Fish passages built to overcome this problem are usually fully ineffective on dams higher than 20 metres. As a result some species go locally extinct above or below the dam and some disappear from the whole basin for they can no longer reach breeding areas upstream.
Disruption of flow of nutrients and sediments	Low to Medium: Significant portion of sediments can pass downstream but flushing of those caught by dam can cause fish die-offs.	Low to Medium: Redirection of flow changes flow of sediments and nutrients as well.	High: Blocks or decreases movement of sediments and nutrients downstream. By slowing flows, dams allow silt to collect on river bottoms and bury fish spawning habitat. Silt trapped above dams, accumulates heavy metals and other pollutants.
Change of natural water temperatures and ice regime	Low: Ice cover may be reduced immediately downstream of the dam	Low to Medium: May influence temperature through change in flow volume	Medium to High: By slowing water flow, most dams increase water temperatures. Other bigger dams may decrease temperatures by releasing cooled water from the reservoir bottom. Fish and other species are sensitive to these temperature irregularities, which often destroy the native populations. Cold water also disrupts riverside recreational activities in summer.

Reduction in flow volume or complete drying of a river	Low: Water passes downstream without reduction in volume.	Medium to High: May cause change in flow volume proportional to water diversion. In dry seasons diversion may reach 100% of flow volume leaving no water in the downstream riverbed.	Medium to High: In warmer and windier places a huge amount of water evaporates from the reservoir surface and less water flows downstream. Water is also lost to seepage in areas surrounding the reservoir. Hydropower dams often completely stop river flow in off-peak hours.
Degradation and Reduction in riverine/riparian /floodplain habitat diversity, especially because of elimination of floods.	Low to Medium: Limited to the immediate location of the plant. Also if several small dams (even without derivation pipes) are built on the same stream they may completely fragment river habitats.	Medium to High: Massive water withdrawal may lead to decrease of high flows. Even for very small plants, derivation pipes may stretch for several fully changing ecosystem of river valley.	High: Large Reservoir reduces flood pulse: floodplains do not get water and silt, backwater pools and oxbows are not cleaned by floods, braided channels simplify. Floodplain ecosystem is degraded and no longer maintains diversity of most productive habitats.
Altering the timing of flows	None	Low to Medium: water withdrawal changes seasonality and daily flow pulse in river downstream.	High: By withholding and then releasing water to generate power or store water for transmission, the reservoir can destroy natural seasonal flow variations that trigger natural growth and reproduction cycles in many species.
Creating artificial waterbody with unnatural ecology	None to Low.	Low to Medium: water used in irrigation forms artificial ponds and channels.	High: Reservoir with artificially fluctuating level is highly unnatural ecosystem unsuitable to most native river species.
Spread of invasive exotic species	None	Low: A new species may be transported through irrigation networks	High: With change in water regime and habitat structure dam operation facilitates introduction of exotic species. Reservoirs are also often intentionally stocked with non-native species to make up for lost fisheries productivity.

Decrease of oxygen levels in reservoir water, build up of pollution and eutrophication	None to Low.	Medium to High: Water withdrawal may significantly decrease dilution of pollution in downstream sections of the river. Water from irrigation are polluted by pesticides and fertilizers.	Medium to High: Warm stagnant reservoirs are prone to bacteria and algae growth, while organic matter decomposes at reservoir bottom and release pollutants. Eutrophication is very common. Reservoirs often reduce water quality and can emit highly potent greenhouse gases like methane. Heavy metals accumulate on reservoir bottoms with sediments.
Decrease in native fish populations and change in species composition	Medium to High: Even one dam can disrupt migration. If many small dams fragment the river, causing native fish decline	Low to High: Impacts vary greatly depending on system design.	High: Many species of fish have to migrate from lower basin, where they over-winter, to spawning sites upstream. A dam built in between may abruptly decrease fish survival. In reservoirs riverine fish communities (e.g. salmonids) are replaced by lake fish (loach, carp).
Loss and fragmentation of terrestrial ecosystems	Low to Medium: If many small dams are built in a river valley they significantly change landscapes	Medium to High: irrigation systems or derivation tunnels significantly alter landscapes.	High: Reservoirs permanently flood meadows, forests and other terrestrial habitats displacing many native species populations. New waterbodies also fragment terrestrial landscapes and disrupt population structure and migration paths of terrestrial species.
Degradation of protected areas	Medium: Small dams are often placed in designated protected areas degrading their river ecosystems	Low to Medium	Medium to High: As rivers suitable for hydropower become scarce more reservoirs are planned inside protected areas. Many more dams are built on rivers flowing into protected areas, which become degraded due to change in river flow regime and fish migration.
Massive erosion and landslides	Low to Medium – local landslides and erosion likely (often created by access roads).	Low to Medium: Derivation tunnels often induce geological hazards.	Medium to High: Erosion happens due to water fluctuation in reservoir that erodes the banks. Also due to artificial flushes, erosion often is activated downstream from the dam where water lacks sediment load.

Local climate change effects	Low	Low-Medium: Aridization of river valley may happen downstream from the point of withdrawal.	Low to High: Local climate often changes around reservoirs. Additional change may occur immediately downstream from the dam with added humidity and fogs in winter due to unfrozen stretch of moving water below dam.
Increase in earthquakes	None	Low	Medium to High: Large dams are known to increase magnitude and frequency of earthquakes, especially when reservoirs are filling or emptying relatively fast. This "Induced seismicity" is especially common in mountain areas.
Dam machinery kills aquatic life	Low to Medium: In small hydropower fish are often minced by turbine blades.	Low to Medium: fish are often minced by turbine blades and harmed by derivation system.	High: Dam water release structures kill fish and smaller organisms due to water pressure and direct cutting by turbine blades.
Salinization and degradation of soil resources	Low	Medium to High: Irrigation systems supported by dams are especially prone to soil salinization	High: During filling all soils flooded by reservoir are lost. During operation salinization and soil degradation may happen along reservoir margins as well as in desiccated floodplains downstream from the dam.
Greenhouse gas emissions	Low to Medium: GHGs released from water at turbines.	Medium to High: Irrigation systems often release methane from shallow waters.	Low to High: Three principal GHG release mechanisms for hydropower reservoirs: 1) Release of methane from decaying organic matter on reservoir bottom, especially massive during first decades after filling. Release from decaying organic matter and periodically inundated reservoir margins. 2) GHGs released from water flowing through turbines ("degassing" of water). 3) Disrupted GHG sequestration processes in river basin due to capture of sediments by reservoir, elimination of vegetation by reservoir, change in

			flooding patterns downstream from the dam. GHG volume released by reservoirs vary greatly and is believed to be greatest in the tropics. Emissions from reservoirs and irrigation systems are among 10 most important sources of anthropogenic GHG emissions.
Associated infrastructure	Low to Medium	Medium to High	High: Large hydropower dam requires construction of a transmission system, access roads, embankments and saddle dams elsewhere, as well as extraction of construction materials, all that has extensive additional environmental impacts

Table 2. Socio-economic impacts checklist

Socio-economic impact type	I. Medium or small run-of-river hydropower dam without significant reservoir	II. Flow derivation: Large weir for water withdrawal into irrigation canal or derivation hydropower with tunnel or pipes	III. Large dam with reservoir (typically multipurpose - for irrigation, water supply and/or hydropower)
Resettlement of local residents	Low.	Low to Medium. Hundreds of people could be affected by derivation tunnel or canal route, but most of them are not resettled.	High. Anyone who lives in the area of a planned reservoir and subsurface inundation zone around it would be displaced and needs resettlement.
Economic displacement. **Loss of livelihood (pastures, arable fields, fisheries, etc.)**	Low to Medium: Loss of fisheries and river-related business opportunities often occurs.	Moderate to High: May affect downstream communities, especially in dry years.	Medium to High: Anyone who lives on the land submerged by the reservoir and subsurface inundation zone around it can no longer use these areas. In addition, fish stocks are often decreased basin-wide and floodplain pastures desiccated for several hundred kilometres downstream.

			Economic assets destroyed by reservoir may be very significant and difficult to replace (arable land, mineral deposits, social infrastructure, etc.)
Limiting movements and access by people and livestock	Low to Medium	Medium	Medium to High: Reservoir may inundate roads and obstruct old river crossings on the main river and tributaries. Dams often block navigation. Ice cover downstream from the dam will be likely replaced by open water for up to 100 kilometres downstream. Construction of dams also may provide additional access infrastructure to previously roadless areas and reservoirs may facilitate navigation.
Loss of cultural assets and indigenous traditional resources	Low	Low to Medium	Medium to High: Reservoirs inundate many cultural sites along the rivers and dams disrupt local cultural activities linked to rivers. Dams often are forced into indigenous peoples' lands and destroy resources on which those tribes traditionally depend.
Influx of newcomers (e.g. construction workers).	Low	Low to Medium	High: Construction requires many qualified workers normally brought from different regions or other countries, which may cause competition and conflicts with local population, including sexual exploitation and human trafficking. Dam construction also may offer local people employment opportunities for some unqualified jobs for limited construction period.
Recreation and tourism impacts	Low to Medium: Even one small dam may negatively affect natural landscape or block	Low to High: Often natural valleys are converted into artificial landscapes.	Medium to High: A large reservoir radically changes the surroundings. It may destroy important recreational and tourist assets such as natural river and forest habitats/landscapes. It also may create opportunities for near-water recreation, but promises of these

	good white-water rafting stream.		are often exaggerated, and in case of hydropower those are complicated by an unstable water level fluctuating according to energy production dam operation regimes.
Health risks	Low	Low to Medium: Water withdrawal may cause deterioration of sanitary conditions through reducing water available to local rural people.	Medium: In warmer climates shallow reservoirs are the best breeding habitat for vectors of various diseases like mosquitoes contributing to outbreaks of malaria, schistosomiasis etc. In colder climates some dams create a damp unhealthy environment, especially harmful in winter when people breath in ice particles formed due to the thawing river surface. Reservoir filling also may trigger migration of vectors of plague and other deadly diseases to new areas closer to human settlements (e.g. rodents).
Low quality of water supply	Low: Small dams have little impact on water quality	Medium to High: Irrigation systems tend to degrade the quality of waters in surrounding streams and groundwaters	Medium: Surface water is usually less clean than ground water. Reservoirs are prone to algal blooms and other processes affecting water quality.
Unreliable energy supply	High: Small dams fully depend on fluctuating natural river flow, which is becoming less reliable with climate change.	Non-applicable to irrigation. Medium for derivation hydropower.	Low to High: A large reservoir may provide a buffer against seasonal variability of river flow. However the increasing frequency of extreme climatic events makes hydropower less and less reliable, unable to provide sufficient electricity supply year-round. Still reservoirs are preferred options as sources of peaking/manoeuvring capacity in many countries. Overreliance of national energy systems on hydropower is a source of increasing concern for countries where it constitutes a large part of national or regional electricity generation.

Faulty design consequences and risk of dam breach or failure	Medium: Small dams are often destroyed by natural disasters, but without major negative consequences for humans.	Medium: Failure of derivation structures happens relatively often and may entail loss of lives and property.	Medium to High: Dams often fail to release water at rates prescribed by agreed regulations, thus causing sudden flooding or drying of river valleys. Most dams fail to sustain natural ecosystem services downstream. Some dams have collapsed due to poor design or extreme natural disasters, some causing huge human and material losses due to the action of a giant wave released downstream. Failure in certain elements of hydropower plants (tunnels, machinery chambers, etc.) often leads to casualties. Dams are a habitual target for terrorists in times of peace and enemies during wars.
High cost of construction	Low to High: Small hydropower varies widely from 1500 to 5500 USD/kW.	Medium-High.	High: According to International Renewable energy Agency (IRENA) the world average installation cost in 2022 for large hydropower was 2880 USD/kW (3-4 times greater than for solar). 97% of investment in dams in 2021 came from public sources competing with other socio-economic needs.
Cost of electricity	Increasing: in many countries small hydropower is economically non-viable without artificially high "green" tariffs established by the state.	Increasing for derivation hydropower	Increasing: According to IRENA, from 2011 to 2022 the cost of electricity production (LCoE) for hydropower increased by 47 per cent from 4.2 US cents to 6.1 cents per kWh. It is now more expensive than the cost of solar or wind power, which has decreased dramatically during the same decade.
Costs of maintenance, decommissioning and river restoration.	Varies: Small hydropower plants are often completely uneconomic and survive on subsidies. Single dam removal may be affordable,	Low to Medium.	High: When a dam is no longer needed there is a high cost of removing it and rehabilitating areas previously covered by reservoir water and often toxic sediments accumulated over years. This makes the costs of river restoration unaffordable to many

	but multiple dam cascades present a challenge to river restoration.		developing countries, even if certain dams ceased their economic activities and are no longer needed. In case of dam accidents remediation/restoration costs are usually also high.
Corruption risk (and ineffective spending of public money)	Medium to High	Medium to High	High: This partly explains why dams are a preferred option for officials and engineering firms – a much larger portion of benefits go into their pockets and much more questionable expenditures are made. Large complex infrastructure projects are very difficult to control in terms of hiding costs.
Increasing public debt burden	Low	Medium	High. To build large dams governments take loans and sometimes cannot pay them back.
Increasing project costs and delays during construction	Varies: Construction of a small dam takes 2-3 years. No reliable statistics on delays and costs overruns available for small dams.	Varies.	High: Average construction period is 7-14 years. A 2018 study by scientists from Oxford University shows that the average the cost of large dam construction worldwide has increased twice during project construction and the average construction lasted 2-3 times longer than planned. Such overspending and delays are much larger than with other types of water infrastructure and roads.
Risk of stranded assets	High: Many small dams are abandoned during construction or early operation due to low profitability.	Moderate to High. Tunnels are especially vulnerable to major geological hazards. In mountainous areas diversion hydropower often encounters major problems during construction of tunnels and projects get stack or are cancelled.	Moderate to High: Large dam projects are often frozen for years and decades due to change in demand, lack of finance or popular resistance. Long and controversial decision-making and construction delays are also known to completely freeze economic development in areas large targeted for flooding by reservoirs, where trade, construction and industrial production comes to halts in anticipation of future resettlement. Besides economic losses this creates

			high psychological distress for thousands of people.
Potential for transboundary conflict and difficult negotiations	Low	Low to Medium. Customary international law envisions that each riparian country is entitled to part of transboundary water resources as long as this does not substantially harm the neighbour.	Medium-High: Large dam may create so many problems for downstream countries, that it is likely to induce controversy with their people and authorities.

Appendix II. List of current and anticipated investments in the Central Asia hydropower sector

Hydropower plant and (potential) banks	Project status and circumstances	Potential threat/objective/action	Links
Tajikistan			
Rogun (World Bank the lead, AIIB, EIB, IDB, ADB and seven more IFIs. Current expected commitment USD 1535 million, from which the World Bank 350 million.	Major hydropower reservoir (volume 13 km^3) under construction since the 1970s. 3780 MW, 335 metre high dam. Two early installed generators operate at 240 MW. Cost >USD 11 billion, with 6 billion of investment needed to complete by 2036. Reservoir filling to extend beyond 2040. On December 22 the World Bank published a different official version of drat ESIA. Environmental and Social Impact Assessment Sustainable Financing for Rogun Hydropower Project (P181029) Environmental and Social Management Plan (ESMP) Sustainable Financing for Rogun Hydropower Project (P181029) The World Bank approved a grant for the project in December 2024.	Potential threats: 1. Major seasonal redistribution of flow in Amu Darya River basin may disrupt ecosystem services and downstream agriculture. 2. Tugay Forests of Tigrovaya Balka World Heritage site in Vakhsh. River floodplain will be threatened with further desiccation and needs assessment to design artificial floods. 3. Two endemic sturgeon species and one endangered asp species may go extinct. 4. Resettlement of 60,000 people silenced by authoritarian pressure. 5. Lasting record of human rights violations in the country, no civic space to question the project. 6. Potential threat of dam failure due to unstable salt dome at its base and high seismicity. 7. Country sacrificing all other development projects to complete the Rogun dam and acquire huge debt. 8. Pursuing this project would postpone decarbonisation of	https://rogun.exposed/ https://rivers.help/t/rogun https://projects.worldbank.org/en/projects-operations/project-detail/P178819 https://www.aiib.org/en/projects/details/2023/special-fund/Tajikistan-Rogun-Hydropower-Development-Project.html https://www.energyprojects.tj/index.php/en/tenders/tenders-held/1156-ober-2023 ESIA https://documents.worldbank.org/en/publication/documents-reports/documentdetail/099122223091529585/p1810291b43c970a71993e1a8e76ceb151c ПСЭУ http://documents.worldbank.org/curated/en/099122223091521993/P181029123d80208619d11180cdfab752d3 русскоязычные версии http://www.energyprojects.tj/index.php/ru/rogunskaya-ges/eko-sots-instrument?limitstart=0

		Central Asian economies by 10-15 years.	
Nurek Hydro Rehabilitation (ADB, AIIB, EBRD, EDB)	Nurek hydropower plant on Vaksh river– the largest in Tajikistan, lost parts of reservoir volume due to sedimentation.	Relies on the Rogun Dam for decrease in sediment inflow, increased dam safety for max. flood, stable production. The main env. Risk – lack of guaranteed environmental flow downstream, which leads to degradation of floodplain ecosystems.	https://www.aiib.org/en/projects/details/2017/approved/Tajikistan-Nurek-Hydropower-Rehabilitation-Phase-I.html https://uza.uz/ru/posts/vsemirnyy-bank-vydelil-esche-65-mln-dlya-modernizacii-nurekskoy-ges_332131 https://rivers.help/t/nurek
Obigarm-Nurobod Road replacement (ADB, AIIB, EBRD-lead)	Road and bridge built to replace a major road to be submerged by Rogun reservoir. The ADB denies the project is connected to hydropower: Central Asia Regional Economic Cooperation Corridors 2,3 and 5	Associated project of Rogun HPP. The substitute road will cost USD 360 million.	https://www.aiib.org/en/projects/details/2024/approved/Obigarm-Nurobod-Road-Project-Long-Bridge-and-Approaches.html https://www.adb.org/projects/52042-001/main
Sebzor 'small' hydropower plant (WB, USAID, EU, KfW, Swiss, etc).	Construction in progress. 11 MW for USD 84 million on Shakhdara River in Gorno-Badakhshan region. Pamir Energy Company. World Bank supported ESIA and Feasibility study. USAID – coordination unit.	Recently identified Key Biodiversity Area (KBA) indicates presence of Krushinsky Pear and two more endangered plant populations immediately downstream from the construction site. The World Bank ESIA does not mention these endangered species. Also the dam potentially blocks fish migration along Shakhdara river and likely has cumulative impacts with other nearby small hydropower plants.	https://projects.worldbank.org/en/projects-operations/project-detail/P171248 https://documents1.worldbank.org/curated/en/361291606710879044/pdf/Environmental-and-Social-Impact-Assessment-Rural-Electrification-Project-P170132.pdf https://www.hydropower.org/news/sebzor-becomes-worlds-first-project-certified-under-hydropower-sustainability-standard https://rivers.help/t/sebzor

Tajikistan and Kyrgyzstan			
CASA-1000 (USAID, World Bank, EBRD, IsDB)	USD 1.2 billion, 1,300 MW, 1,330 km high voltage transmission system to Afghanistan and Pakistan.	Creates additional demand for regionally built hydropower. Delayed due to Afghanistan instability. Was the focus of an unsuccessful complaint of Uzbek NGOs to the World Bank Inspection Panel in 2014.	https://unece.org/sites/default/files/2022-11/Sergey%20Yelkin%20USAID.pdf https://rivers.help/t/casa-1000 https://projects.worldbank.org/en/projects-operations/project-detail/P145054
Tajikistan, Uzbekistan			
Zeravshan River hydropower cascade.	As part of the Uzbekistans "dam diplomacy" two countries are planning to build in Tajikistan Yavan HPP (140MW, USD 282 mill) and then Fandaryo HPP (135 MW, USD 270 million)	Fragmentation of the Upper Zeravshan basin, loss of endemic fish habitat, degradation of Tugay forests in protected areas downstream.	https://pdf.usaid.gov/pdf_docs/PA00ZQ2X.pdf https://www.mewr.tj/?p=3239 https://rivers.help/n/3753 https://rivers.help/n/3282 https://rivers.help/n/3712 https://rivers.help/t/yavan
Kyrgyzstan			
Kambarata-1 hydropower plant ESIA (World Bank)	K-1 hydropower plant – the largest project intended in Kyrgyzstan since the 1990s. World Bank provides USD 77Million for project preparation. There is a memorandum of understanding for joint project financing by Kazakhstan, Kyrgyzstan and Uzbekistan. In February 2024 the World Bank announced it may consider investing up to USD 500 million.	Kambarata-1 is a huge reservoir (capacity 2 GW, volume 5.5 cubic kilometers) on Naryn River upstream from Toktogul reservoir. Risks yet to be assessed, including cumulative impacts on Syr Darya and lower Naryn downstream from existing cascade and flooding of huge area of natural ecosystems.	https://projects.worldbank.org/en/projects-operations/project-detail/P181086 https://projects.worldbank.org/en/projects-operations/project-detail/P178286 https://rivers.help/t/kambar1

Small hydropower plant on Tar River (World Bank)	Part of 2023 'RE development project': construction of one (Tar River) or two new hydropower plant(s) and rehabilitation of existing hydropower plant.	Development of small hydropower plants on previously unaffected rivers. River selection is not supported by valid ESIA. Potential impacts on biodiversity (50% of the basin in KBA) and livelihoods of local communities.	https://projects.worldbank.org/en/projects-operations/project-detail/P178286 https://rivers.help/n/3706
Togtogul hydropower plant rehabilitation	Largest reservoir in Syr-Darya basin, very poorly managed. Main source of the country's electricity, poor management and overreliance on hydropower causing vulnerability to shortages.	Link to Kambarata-1 and their cumulative effect downstream should be analysed. Improper flow regulation forced Kazakhstan to build new large reservoirs to avoid floods.	https://www.adb.org/projects/49013-002/main https://rivers.help/n/2548 https://rivers.help/n/3604
Sary Jaz Cascade (CHEXIM Bank?)	4-6 dam cascade of 1,160 MW planned in headwaters of Tarim Basin. Allegedly China has great interest in this development to improve water storage. China's TBEA signed a memorandum of understanding for the project.	Cascade planned inside high-mountain protected areas with significant populations of snow leopards and related prey. Downstream impacts depend on design.	https://pressroom.rferl.org/a/32663533.html https://rivers.help/t/sary https://www.worldbank.org/content/dam/infographics/780xany/2023/apr/presentations/ENERGY-Brochure-4-Sary-Jaz-HPP-ENG.pdf
Kulanak hydropower plant (EDB-Eurasian Development Bank)	100 MW dam on Naryn River, where 20+ additional dams are planned. Combines hydropower and local irrigation demands. Allegedly under construction.	Proponents claim that theiy are 'building a dam.' Reliable info on project status and impacts lacking. Creating this dam starts fragmentation of the largest contiguous free-flowing river system in Upper Naryn Bain. As the first dam in the new cascade, may illuminate problems associated with further damming of Naryn river.	https://rivers.help/t/kulanak https://kulanak.kg/ https://rivers.help/t/kulanak
Small HPPs (Russian-Kyrgyz	Kyrgyz government plans to develop 40+ small	'State of emergency' has been declared for 3 years to enable	https://rivers.help/n/2503 https://rivers.help/n/2492

Development Fund RKDF, other investors)	hydropower plants before 2030 (60 more are planned). It is approaching all foreign partners with requests to invest in them. RKDF participates in 15 SHPP projects. In 2024 Kyrgyzstan completed 5-10 small hydro projects with total capacity 45MW.	easy land-grab for hydropower construction. Little or no env. and soc. assessment done when selecting sites and granting subsidies for hydropower development. High risk of corruption as such plants are used for crypto-mining.	https://rivers.help/n/3406 https://rivers.help/n/3808 https://rivers.help/n/3896 https://www.worldbank.org/content/dam/infographics/780xany/2023/apr/presentations/Small-HPPs-Zones-1-ENG.pdf
Hydropower on Chatkal River in Besh Aral Strict Nature reserve	In 2023, a Soviet project with two dams (Barkrau and Mintokum) was revived, discussed with Uzbekistan and France's EDF. In 2024 the project was reduced to one 250MW HPP and presented in international investment forum in Vienna.	The project will fragment Chatkal River and inundate its vicinity inside the Western Tianshan World Heritage Property. The Government prepared a decree to exclude the lands along the Chatkal River from protected areas. Upstream of the Besh Aral Strict Nature reserve a cascade of 4 SHPPs is planned	https://rivers.help/n/1597 https://rivers.help/n/1948 https://rivers.help/n/2278 https://rivers.help/n/3250 https://rivers.help/t/chatkal https://www.researchgate.net/publication/381293835 https://rivers.help/n/3644 https://www.worldbank.org/content/dam/infographics/780xany/2023/apr/presentations/ENERGY-Brochure-6-Chatkal-HPP-ENG.pdf https://www.transrivers.org/2024/3961/
Kazarman Cascade (Chinese companies PowerChina Northwest Engineering Corporation Ltd, Green Gold Energy (GGE) and China Railway 20th Bureau Group Co Ltd.finance. likely CHEXIM financing	Four-dam cascade on Naryn River with estimated capacity of 1160 MW, allegedly financed by Chinese 'companies' to be built before 2030. In 2024 was presented in international investment forum in Vienna.	Cascade will drown the Naryn River valley upstream of the reservoir that will be created by Kambarata-1. Impacts similar as Kambarata-1, but likely less extensive.	https://rivers.help/t/kazarman https://www.worldbank.org/content/dam/infographics/780xany/2023/apr/presentations/ENERGY-Brochure-2-Kazarman-HPP-ENG.pdf

Upper Naryn HPP Cascade	In 2012, Kyrgyzstan and Russia's Rusgidro signed a contract to create a cascade of 4 HPPs with a total capacity of 270 MW and a cost of $727 million.	In 2016, Kyrgyzstan terminated the contract and RusHydro demanded the return of 37 million dollars allegedly spent during the preparation of the project. Risks of river fragmentation in the upper reaches of the Naryn.	https://rivers.help/n/3877 https://www.worldbank.org/content/dam/infographics/780xany/2023/apr/presentations/ENERGY-Brochure-1-Upper-Naryn-HPP-ENG.pdf
Susamyr-Kokomeren Cascade	A cascade of 3 HPPs with a total capacity of 1300 MW on a tributary of the Naryn River. Sinohydro updated the Soviet feasibility study in 2013. These projects were presented at the International Energy Forum in Vienna in June 2024.	Fragmentation of the Kokomeren River ecosystem.	https://www.worldbank.org/content/dam/infographics/780xany/2023/apr/presentations/ENERGY-Brochure-5-Suusamyr-Kokomeren-HPP-ENG.pdf https://rivers.help/n/2337
Uzbekistan			
3 small hydropower plants in Gissar (ADB)	'Sustainable hydropower project'. Construction of three 'small' derivation hydropower plants (6,8, and 10 MW) on an already heavily modified river. 24 MW for USD 66 million.	Long derivation systems exterminate gardens cultivated by local people in narrow valley and associated natural vegetation in the vicinity of Gissar Nature Reserve. Project may be an example of a lack of rationale for development of small hydro.	Https://www.adb.org/projects/50130-002/main https://sreda.uz/rubriki/bio/novye-sady-v-bufernoj-zone-gissarskogo-zapovednika-chast-pervaya-gilan/
Pskem Cascade (CHEXIM?)	Largest hydropower cascade implemented in UZ. 400MW Pskem hydropower plant under construction using Uzbek budget, investors sought for 4-5 more plants and one pumped storage. PowerChina, EDF and other major companies mentioned as likely future contractors.	All dams are inside the most popular national park, a major recreational area close to Tashkent. Upper valley known for endangered fauna, including snow leopard and many hoofed animals. River has endangered endemic fish species, with known altitudinal migration patterns.	http://tashkenttimes.uz/national/11959-foreign-investment-to-be-drawn-6-000-mw-total-capacity-hydroelectric-power-plants https://rivers.help/t/pskem https://www.researchgate.net/publication/381293835 https://rivers.help/n/3040

		Although planned dam height was 195 meters, in 2023 the dam construction stopped at 50-70 meters, likely due to risks of major landslides.	
Pumped Storage HPPs in tandem with nuclear power plants	Lead Russian engineering firm "Hydroproject" proposed development of pumped storage plants in pair with NPPs on large lakes like Aydarkul and Karaten. Later an agreement to build pumped storage was confirmed by President Putin.	Pumped Storage at vast brackish lakes may be built with relatively low risks. Most risks are in their association with nuclear power, a scheme long preached by Russian engineers, but never built in practice.	https://rivers.help/n/3069 https://rivers.help/n/2646
Capacity building for public-private partnerships (PPPs) in hydropower (World Bank)	Uzbekhydroenergo has identified 5 small and medium hydro projects with a cumulative capacity of ~46.6 MW for development through PPPs and is planning to award all projects under a single competitive bidding process.	At least 3 out of 5 identified plants lie in KBAs. Likely World Bank project financing. Preparation of the tender includes zero environmental considerations on site selection.	https://www.developmentaid.org/tenders/view/1080815/institutional-capacity-building-project-financial-consultant-to-support-the-implementation-of-hydrop https://projects.worldbank.org/en/projects-operations/project-detail/P168180?lang=en
Small Hydro paid by the state budget	Under the extensive state program for hydropower development, dozens of medium-sized and hundreds of small HPPs are planned to be established on almost every suitable watercourse.	Small and medium HPPs are being established on highly vulnerable rivers and in key biodiversity areas. Examples: A cascade of three small HPPs (total capacity of 5 MW) blocked the migration of rare fish along the Ugam River. A cascade of 6 HPPs with a capacity of 38 MW each completely transforms the CWA created for rare fish species in the lower reaches of the Naryn River. There is a very high probability of corruption.	https://rivers.help/n/3285 https://rivers.help/n/3750 https://rivers.help/n/3268 https://rivers.help/n/3682

Kazakhstan			
Small hydropower plants on Orta Kokpak River (EBRD-GEFF)	EBRD channels green grant(s) for small hydropower via financial intermediaries.	No data on impact from this particular hydropower plant, but likely lack of any environmental considerations	https://ebrdgeff.com/kazakhstan/ru/projects/hydropower-plant-in-almaty-oblast-raimbek-district-on-the-orta-kakpak-river-near-kakpak-village/
Small hydropower plants in renewable auctions (USAID)	Renewable energy auctions scheme encouraged development of up to 40 small hydropower projects in 2017-2024. Its establishment and functioning are assisted by international donors.	Huge cumulative damage to remaining aquatic biodiversity of Lake Balkhash Basin. Within 15 years the majority of free flowing mountain rivers will be dammed. No biodiversity considerations when approving projects.	https://unece.org/sites/default/files/2022-11/Sergey%20Yelkin%20USAID.pdf https://rivers.help/n/3076 https://rivers.help/n/3917
Advisory Services to the Hydropower Development Program (ADB)	The Asian Development Bank (ADB) in July 2024 has signed a transaction advisory services agreement with the Government of Kazakhstan for its Hydropower Development Program. ADB will help the government prepare and auction hydropower projects with private sector participation for a potential cumulative capacity of around 600 megawatts (MW) across the Alaqol, Balkash, and Irtysh/Zaysan basins. This “advisory service” is a part of the ADB multi-country Project Number 58377-001 Development of Renewable Energy Public–Private Partnership Projects and Transaction Advisory Services	The ADB assistance may accelerate development of highly destructive HPPs on all remaining free-flowing rivers in Kazakhstan. According to the available documents this “Advisory” has no environmental component or any related criteria. As it happened in Uzbekistan, the ADB may later invest in certain HPP projects eveloped through advisory services.	https://www.adb.org/news/adb-kazakhstan-sign-transaction-advisory-agreement-hydropower-development-program

Ugam River Cascade (Kazakhstan Development Bank)	Cascade of 3 to 7 hydropower plants, which also promises to deliver water supply to 6 districts.	Cascade is planned inside Sairam-Ugam National park, part of West Tina Sahan World Heritage site.	https://rivers.help/n/1864 https://rivers.help/n/1870 https://rivers.help/n/3246 https://www.researchgate.net/publication/381293835 https://www.transrivers.org/2024/3961/
Moynak hydropower capacity expansion	To expand energy production by 10 per cent via transfer of the free-flowing Kensu River into Moynak hydropower (Bestiubinskoye) reservoir.	Built by a Chinese company in 2013, Moynak Hydro has already negatively impacted river flow, which resulted in degradation of floodplain forests in Charyn National Park. Diversion of the Kensu river will increase this impact and destroy the Kensu River ecosystem. In 2024 company informed us of intention not to pursue water diversion.	https://kase.kz/files/emitters/SNRG/snrgp_2022_rus_2.pdf https://www.samruk-energy.kz/en/company/group-of-companies/ao-mojnakskaya-gidroelektrostantsiya-imeni-u-d-kantaeva
Re-construction of Kapshagay HPP with creation of Kerbulak HPP counter-regulator dam.	The project is designed to release the maneuvering capacity of Kapchagai HPP on the Ili River through the creation of the Kerbulak HPP counter-regulator dam (25-50 MW). It has been on the agenda of state-owned companies for decades. The project should reduce daily flow fluctuations in the lower reaches of the Ili River, thus improving conditions for the fauna and flora	Kerbulak Gorge – a nesting place for the black stork and many birds of prey. This section of the river is a probable spawning ground for the last population of Ship sturgeon in Central Asia. Many recreational and tourist routes and archaeological monuments are also located here.	https://rivers.help/t/kapsh
Region-wide (Uzbekistan, Kyrgyzstan, Kazakhstan)			
Hydro4You (EU) EUR 10 million (?)	Demonstrating European small hydropower equipment and technologies, the project is funded under the European Union's Horizon 2020	The project supports construction of 2 hydropower plants, but explores many more rivers and recommends how to develop small hydropower there.	https://hydro4u.eu/

	research and innovation programme.		
Afghanistan			
Qosh Tepa Canal and Kunduz hydropower plant (formerly USAID 2017-20)	Feasibility study and engineering design performed with USAID funding before Taliban overtook the government. Phase I construction of the Qosh-Tepa Canal undertaken by Taliban authorities in 2022-2023. China's investment is suspected, as Chinese firms are involved in related mineral extraction schemes.	The canal will divert from Amu-Darya up to 15 cubic kilometres of water annually, increasing stress of already desiccated lower reaches and river delta. Together with Rogun it will have cumulative impacts on basin-wide water management. The USAID feasibility study included a hydropower plant near the mouth of the Kunduz River – which would block this large tributary and stop any fish migration. Likely put on hold.	https://rivers.help/n/2226 https://rivers.help/n/2262 https://rivers.help/t/qosh
Dam-building race	The Taliban government has announced the widespread creation of reservoirs for water supply and power generation. It is officially stated that more than 300 dams are under construction.	Fragmentation of the river network, destruction of habitats and fish migration routes, drainage of river mouths, risk of breach of hastily built dams, transboundary conflicts.	https://rivers.help/n/3437 https://rivers.help/n/3921