

To: Victoria Marquez-Mees
Chief Accountability Officer
European Bank for Reconstruction and Development

Copy: Board of Directors
European Bank for Reconstruction and Development

10 July 2026

Subject: Compliance Assessment for the Request (Case Number 2025/10) on Bishkek Public Transport and the **start of a Compliance Review**

Dear Ms Marquez-Mees,

In August 2025, Bishkek citizens submitted a complaint to the EBRD's Independent Project Accountability Mechanism (IPAM) on three projects in Bishkek, including the Bishkek Public Transport Extension Project. Requesters asked for a Problem Solving process, if the Kyrgyz authorities would agree to voluntarily and in good faith engage in a facilitated dialogue by IPAM. Alternatively, we requested a Compliance Review, investigating whether or not the EBRD followed its Environmental and Social Policy.

In November 2025 IPAM registered the Request since it meets the criteria set out in the Project Accountability Policy, namely, Paragraph 2.2(b), and it does not fall within any of the exclusions set out in Paragraph 2.2(c), so IPAM deemed that registration was appropriate in light of its consideration of the other determinants of Registration set out in Paragraph 2.2(d). We believe these criteria for registration and processing the case are still met.

Following meetings in Riga in June, our understanding is that the Bishkek authorities are not willing to engage in a mediation process. In view of the missed opportunity by the EBRD's clients to agree to a Problem Solving process, **we kindly request the initiation by IPAM of a Compliance Review.**

As far as we understand, the answer from the government was that they paid the loan and thus the question was over. Although we understand that Problem Solving is voluntary, we completely disagree that the dialogue and redress options should be closed to Requesters. Because the harm has a lasting effect, the harm has not been addressed, the negative impacts have not been mitigated.

In addition, the EBRD still has a financial interest and an active relationship with Kyrgyz authorities on Bishkek public transport issues (as well as other municipal infrastructure sector projects in the capital). Namely, the CNG Busses Project (**GRCF2 W2: Bishkek Buses: #51598**), which is still active and was included in the Request due to its impact on air quality in the city, quality and reliability of the public transport services, etc., as well as the potential to provide options for mitigation of some impacts (e.g. jobs for trolleybus drivers, who lost their occupation or income).

Therefore, we again reiterate our Request that IPAM proceeds with a Compliance Review option and hope that it will provide avenues for further dialogue and redress, including for mitigation of harm through a Management Action Plan.

Who are the requesters?

The complaint was signed by affected people, Bishkek citizens representing the interests of disabled people, women, youth, retired people, trolleybus company workers, environmentalists, as well as by supporting international organisations, experts and human rights defenders. The majority of local complainants have requested confidentiality of identity due to fear of reprisals.

What is the harm?

Requesters spelled out the environmental and social harms resulting from the loss of trolleybuses:

- Violation of the right to access to information and public participation in decision-making;
- Loss of jobs for the trolleybus company workers without providing an opportunity to retrain and get a job on different CNG or e-buses;
- Increased air pollution in Bishkek, leading to health risks;
- Negative climate impact – failure to deliver on the long-term GHG emission reductions;
- Worsening of the reliability and quality of public transport service;
- Expected higher cost and barriers to affordability of public transport services;
- Conversion into e-buses, without proper E&S assessments
- Decreased accessibility for vulnerable groups, such as people with disabilities, mothers and women (gender impact);
- Damage to cultural heritage.

Why a Compliance Review is needed?

While requesters acknowledge the limited leverage of the EBRD to influence the decisions of the City of Bishkek, according to the bank's Environmental and Social Policy (ESP 2008), the EBRD should have initiated an E&S assessment of the consequences of dismantling the

trolleybus system, such as air pollution, harm from disposal after conversion into e-buses and the loss of jobs or transit period during trolleybus conversion. Such assessment was either not done, or it was not transparent with the participation of those whose lives were changed for the worse.

The EBRD needs to be accountable, if it took every measure that was available and required by its policy, to defend the public interest and ensure the proper mitigation of adverse impacts resulting from significant material changes to its Bishkek transport projects. Alleged breaches from the bank's Environmental and Social Policy from 2008 include:

- Article 6 on climate mitigation and adaptation,
- Article 7 on access to environmental information and public participation, in accordance with the UNECE Aarhus Convention,
- Article 9 with regards to the implementation of Kyrgyzstan's National Determined Contributions,
- Article 10 with regards to donor coordination for the implementation of the Bishkek Green City Action Plan and urban development plans and strategies, and in connection to ADB's investments in electric buses. There is even article in the loan agreement, that investments can't be replaced
- Article 11 and Article 12 on prudent use of TC grants for "*promoting sustainable business practices and corporate responsibility, building the necessary capacity for consideration and management of environmental and social issues in its countries of operations, or increasing equitable access to the potential benefits of Bank-funded projects*"
- Articles 34-37 relating to Monitoring of environmental and social impacts and implementation of loan agreements.
- Article 39 on conducting E&S assessment of operational changes;
- Articles 43-46 on the EBRD's role in *Promoting investments with high environmental and social benefits, including working in partnership with others*, and specifically Article 46 that concerns environmental benefits in the Municipal Environmental Infrastructure sector, related affordability issues and co-financing with ADB.

Requesters also allege harm related to the following Performance Requirements:

PR 1, # 7: *Environmental and social issues and impacts will also be analysed for the relevant stages of the project cycle. These may include preconstruction, construction, operations, and decommissioning or closure and reinstatement.*

PR 2, Retrenchment #17: *If the client anticipates collective dismissals as defined in Article 1 of EU Directive 98/59, the client will develop a plan to mitigate the adverse impacts of retrenchment, in line with national law and good industry practice and based on the principles of non-discrimination and consultation. Without prejudice to more stringent provisions in national law, such consultation will involve reasonable notice of employment changes to the workers'*

representatives and, where appropriate, relevant public authorities, so that the retrenchment plan may be examined jointly in order to mitigate adverse effects of job losses on the workers concerned. The outcome of the consultations will be reflected in the final retrenchment plan.

In our view, the EBRD has failed to assess the project's lifecycle, the impacts of the decommissioning of the projects, as required by PR3, *Pollution prevention, resource conservation and energy efficiency*, # 10: *During the design, construction, operation and decommissioning of the project (the project lifecycle) the client will consider technical characteristics of the installation concerned, its geographical location and local/ambient environmental conditions and apply pollution prevention and control technologies and practices (techniques) that are best suited to avoid or, where avoidance is not feasible, minimise or reduce adverse impacts on human health and the environment while remaining technically and financially feasible and cost-effective.*

Similarly, the EBRD has failed to ensure that the client would assess the impact of the decommissioning of the project on the community health, in line with PR4, #7. The bank has also failed to ensure that the client would consult the impacts of the decommissioning of the trolleybus system on public health, as required by PR4, #8.

Because of the historical and cultural significance of trolleybuses for many Bishkek citizens, we believe that our cultural heritage has been harmed by the dismantling of the system, constituting a non-compliance with PR 8 on Cultural Heritage, since trolleybuses carry a very similar meaning to the city's culture and 75-year history.

Finally, The EBRD has failed to ensure compliance with PR 10. Although there were public consultations, these were of an extremely low standard, with many violations and inconsistencies, as access to sessions has been obstructed, there were threats of reprisals and actual incidents of reprisals, and most importantly - the numerous inputs from the public were completely ignored in the decision-making without proper justification or logical explanation.

As a result from the Compliance Review we expect:

- 1. Formal finding of non-compliance with the EBRD's Environmental and Social Policy**
- 2. Management Action Plan (MAP)**

Within the MAP we expect the following commitments:

— An independent impact assessment of the dismantlement of the trolleybus system on air quality, public health, climate obligations under the Paris Agreement and accessibility for vulnerable groups — conducted with public participation and fully disclosed.

— Publication of the transport study (~USD 450,000) paid under technical cooperation, in full or at least the parts relevant to E&S risks and impacts, and in accessible formats.

— Binding requirements on the active CNG bus project (Project No. 51598, still disbursing), for example, providing air conditioners, but also other measures to improve the quality of the service for citizens.

3. Worker protection and compensation

The EBRD should work with the client to present a retrospective retrenchment plan and compensation for workers, who were forced to self-fund retraining as CNG bus drivers with no income during the transition; and remedy for the 21 workers dismissed by layoff order on the basis of the stop of operation of trolleybus, without legal basis or proper process.

4. Systemic changes to EBRD practices

If the EBRD is found to be non-compliant, IPAM may recommend remedial changes to bank practices, procedures or systems. For this case we expect:

— Clear procedures for cases of material change by a client after project completion — particularly regarding lifecycle assessment obligations, decommissioning monitoring and public disclosure requirements.

— A clear coordination mechanism between the EBRD and co-financing MDBs (ADB, World Bank) operating in the same sector, to prevent one bank's investment decisions from destroying another bank's infrastructure.

— Methodological guidance to clients on when asset transfer or conversion triggers a new E&S assessment and public consultation requirements.

In conclusion, we kindly request the finalisation of the IPAM assessment process and the commencement of a compliance review.

Sincerely,

Bermet Borubaeva for #BishkekSmog

Fidanka Bacheva-McGrath for CEE Bankwatch Network