

COMPLAINTS MECHANISM

SG/E/2021/09B1

**PUNE METRO RAIL PROJECT
(INDIA)**

DISPUTE RESOLUTION REPORT

9 SEPTEMBER 2022



SG/E/2021/09B1

Pune Metro Rail Project (India)

Dispute Resolution Report

Complaint confidential: No

External distribution

Complainants
Promoter

Internal distribution

Relevant EIB project team

Disclaimers

This report is based on the information available to the EIB Group Complaints Mechanism up to 4 August 2022.

In case of discrepancies between language versions, the English version prevails.

The EIB Group Complaints Mechanism

The EIB Group Complaints Mechanism (Complaints Mechanism) is a tool enabling the resolution of disputes if any member of the public feels that the European Investment Bank (EIB) might have done something wrong, i.e. if it has committed an act of maladministration. The Complaints Mechanism is not a legal enforcement mechanism and will not substitute the judgment of competent judicial authorities.

Maladministration means poor or failed administration. It occurs when the EIB fails to act in accordance with a rule or principle that is binding upon it, including its own policies, standards and procedures. The concept of maladministration includes failure by the EIB to comply with human rights, applicable law, or the principles of good administration. Maladministration may relate to the EIB Group's decisions, actions or omissions and this may include the environmental or social impact of the EIB's projects and operations.

One of the main objectives of the Complaints Mechanism is to ensure the right to be heard and the right to complain. For more information on the Complaints Mechanism please visit: <https://www.eib.org/en/about/accountability/complaints/index.htm>.

Please note: complainants that are not satisfied with the dispute resolution report may file a complaint of maladministration against the EIB Group with the European Ombudsman.¹

¹ Available at: <https://www.ombudsman.europa.eu/en/home>. For more information see [EIB Group Complaints Mechanism policy dated November 2018](#), section 4.5.

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1 COMPLAINT

- 1.1 In February 2021, the EIB Group Complaints Mechanism (the Complaints Mechanism) received a complaint from a person in Pune (the complainant) with various allegations regarding two stations that are part of the Pune Metro Rail project. The allegations touched upon various issues and various groups of people. Because the different nature of the issues raised in the complaint triggered different ways forward, the Complaints Mechanism divided the complaint into two parts (A and B).²
- 1.2 Part B of the complaint concerns the issues relating to (i) licenced kirana³/grocery vendors, (ii) the relocation of one family, (iii) trees and places of worship and (iv) fruit vendors at station B.⁴ The four parallel dispute resolution processes have advanced at a different pace. This dispute resolution report exclusively concerns the issues of (i) the licenced kirana/grocery vendors, (ii) the relocated family, and (iii) trees and places of worship (report B1). The dispute resolution process for the fruit vendors is still ongoing. The Complaints Mechanism will issue a separate dispute resolution report once the process involving the fruit vendors has been concluded (report B2).
- 1.3 Part A of the complaint concerns issues relating to the slum area at station A.⁵ The Complaints Mechanism is performing a compliance review for part A of the complaint. The outcome of the compliance review will be communicated to the complainant through the Complaints Mechanism's conclusions report.⁶

2 PROJECT

- 2.1 The project concerns the construction of two metro lines totalling 31.3 km and 30 stations, as well as the purchase of about 102 metro cars in Pune, Maharashtra State, India (the project).
- 2.2 The borrower is the Republic of India. The project is being implemented by Maharashtra Metro Rail Corporation Limited (the promoter or Maha Metro)⁷.
- 2.3 The European Investment Bank (EIB) has committed to financing the project up to €600 million, divided into four individual tranches. Each tranche has a separate finance contract. The first finance contract between the EIB and the borrower (€200 million) was signed on 22 July 2019. The second finance contract between the EIB and the borrower (€150 million) was signed on 7 May 2021.

3 INITIAL ASSESSMENT

- 3.1 The Complaints Mechanism carried out an initial assessment to clarify and understand the issues raised by the people concerned and determine if further work by the Complaints Mechanism was necessary and whether it was possible to address and resolve the issues raised by the complainants. Due to the ongoing travel restrictions caused by the coronavirus pandemic, the Complaints Mechanism team was unfortunately unable to visit the project site and meet the stakeholders in person during the initial assessment in 2021. In light of these limitations, the Complaints Mechanism contracted a local facilitator to conduct a field mission to Pune to help it develop a thorough understanding of the issues raised. The field mission took

² [Initial assessment report dated 29 March 2022](#), section 2.

³ A small, usually family-owned shop selling groceries and other sundries in India.

⁴ [Initial assessment report dated 29 March 2022](#), paragraphs 2.7-2.14.

⁵ [Initial assessment report dated 29 March 2022](#), paragraphs 2.4-2.6.

⁶ SG/E/2021/09A.

⁷ [Website of Maharashtra Metro Rail Corporation](#).

place between 11 and 14 December 2021, which helped to determine the stakeholders who should be involved in a possible dispute resolution process and to propose a way forward to deal with the complaint.

- 3.2 Considering the parties' openness to engage in facilitated dialogue to address the issues raised, the Complaints Mechanism proposed, for part B of the complaint relating to the market vendors, the family, trees and places of worship, to proceed with dispute resolution processes as described in its initial assessment report.⁸

4 DISPUTE RESOLUTION PROCESS

- 4.1 Two members of the Dispute Resolution Unit of the Complaints Mechanism worked together with the local facilitator and a local interpreter (the team) to prepare for facilitated dialogue. At the end of March 2022, the local facilitator met the members of the three groups and representatives of the promoter separately in Pune to discuss how to structure the collaborative dispute resolution processes in order to effectively address the issues raised. The local facilitator conducted capacity building with the parties to provide them with the relevant information and a comfortable setting to productively and safely engage in the dispute resolution process. This included explanations about how the collaborative dispute resolution works, especially about its forward-looking nature, the importance of effective communication and engagement, such as active listening, and the relevant information about the Complaints Mechanism's procedures. The local facilitator also guided the kirana/grocery vendors in selecting a small number of representatives to represent their interests during the dispute resolution process.
- 4.2 In April 2022, the Complaints Mechanism convened the representatives of people concerned and the promoter (the parties) to facilitated dialogues in Pune. Before the joint dialogues, the Complaints Mechanism team met the parties separately and visited the market where the kirana/grocery vendors had been relocated. The three dialogue sessions -allowed the parties to explain their respective issues, how the community members had been affected, and the underlying interests of the parties, and to discuss options for the way forward. At the end of the dialogue sessions, the parties agreed on the way forward and actions to be taken. The sections below describe the agreements reached, agreed action points and subsequent developments.

Kirana/grocery vendors

- 4.3 During the facilitated dialogue, the kirana/grocery vendors explained that they would like to receive clarification on where the permanent shops that they would occupy would be located and when they would be ready. They expressed concerns about rumours that they would need to move again in the meanwhile. The vendors explained that while they were in support of the metro project, they had been negatively affected by the temporary relocation of their shops. They expressed the hope that once the metro works were completed and they could occupy the permanent shops, they would benefit from the increased flow of people using the metro.
- 4.4 The promoter shared the plans of the shops to be built once the metro works in the area are finished with the vendors. At their request, the promoter agreed to amend the layout of the building to accurately reflect the 14 shops required for their permanent relocation. It also assured the vendors that they would not be asked to move from their current temporary location until they were permanently resettled back to their original location. The promoter informed the vendors that it expected the shops to be constructed and allotted by Pune Municipal Corporation within about one and a half years from April 2022. The parties also agreed that the promoter would arrange a joint meeting with Pune Municipal Corporation, the responsible authority for the markets, to help them address some concerns, such as getting more clarity on the timelines

⁸ [Initial assessment report dated 29 March 2022](#), paragraph 5.1.

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for the allotment and handover of shops by Pune Municipal Corporation for their permanent resettlement. Furthermore, the promoter would request a reduction in the rent if it is increased and request Pune Municipal Corporation to change the status of the vendors from tenants to owners of the new shops where they will be permanently resettled. Both parties agreed to continue to communicate with each other and appointed representatives in charge of coordination.

- 4.5 On 27 June 2022, the promoter and the vendors signed a memorandum of understanding to record their agreement, which closes this part of the complaint. The Complaints Mechanism will follow up on the implementation of the agreement.

Relocated family

- 4.6 During the dialogue with the family who had been relocated,⁹ the promoter informed them that it was working on providing them with accommodation for their permanent relocation. The promoter has prepared plans for a new multi-storey building with modern facilities where the family will be permanently relocated. At the time of the dialogue, the promoter was awaiting formal approval from Pune Municipal Corporation. The promoter assured the family that until the new building was ready and allotted, it would continue to pay the family the monthly rental allowance for the temporary accommodation. If permanent relocation does not take place by January 2024, the promoter will increase the rent allowance for the temporary accommodation by 5%.
- 4.7 Regarding the jewellery that the family say was lost during the demolition of the old building, the family agreed to submit a written representation with details of the valuables and possessions that they had allegedly lost to the promoter. The promoter agreed to review the representation, ask for additional information if necessary, and provide a response. The family sent a letter to the promoter dated 6 June 2022 in which they described the valuables that they say had been lost. The promoter replied in a letter dated 13 July 2022 informing the family that it expected to receive evidence of the lost jewellery and a subsequent complaint to the police or other entity. On 25 July 2022, the Complaints Mechanism spoke with the family and agreed that if they had any evidence of the lost jewellery and of the attempt to notify the police they would provide it to the promoter by 2 August 2022. Despite reminders, no such evidence had been provided at the time of drafting this dispute resolution report.
- 4.8 During the dialogue, the parties agreed to continue to communicate with each other and to keep the family informed about the approvals, construction and allotment of flats in the new building for permanent relocation.
- 4.9 The relocated family also made some allegations of corruption. The Complaints Mechanism explained that it had no mandate according to its policy to deal with allegations of corruption. It shared the contact information of the EIB Group Fraud Investigations Division with the family and forwarded the allegations of corruption internally.
- 4.10 At the end of July 2022, the Complaints Mechanism and the local facilitators spoke with the family about the implementation of the agreed actions. Although no final agreement was reached between the parties, the Complaints Mechanism closes this part of the complaint without further action in line with Article 2.5.6 of the Complaints Mechanism's procedures in the absence of sufficient indication that would justify any further action. The Complaints Mechanism will follow up on the permanent relocation of the family and the increase of the rental allowance, if the permanent relocation does not take place before January 2024.

⁹ During its preparatory meetings with the parties, the Complaints Mechanism learnt that the relocated family was part of a larger group of people who had been temporarily relocated from a multi-storey building to a facility rented by the promoter. However, the relocated family had preferred to receive a rental allowance instead of the temporary facility that was offered.

Trees and places of worship

- 4.11 During the facilitated dialogue, the complainant explained the issues he saw regarding the transplantation of trees, felled trees and the planting of compensatory trees. The promoter explained the procedures and processes it follows when dealing with trees. The parties agreed that a joint visit would be conducted to see the replanted trees on 26 April 2022. However, after the dialogue session, the complainant informed the promoter that due to unforeseen circumstances, he could not attend the agreed joint visit. In the meantime, the complainant received additional information regarding the trees. At the end of July 2022, the complainant informed the Complaints Mechanism that he found these developments satisfactory and that the promoter was taking due care of the trees and that there was no need for a joint visit anymore.
- 4.12 Regarding the places of worship (temple and dargah), the parties agreed that the promoter would share a copy of documents with the complainant showing that due process was followed for the relocation of the places of worship. At the end of July 2022, the documents were shared with the complainant. After reviewing them, he confirmed to the Complaints Mechanism that he was satisfied with the answer provided, which shows that due process was followed by the promoter.
- 4.13 At the end of July 2022, the Complaints Mechanism and the local facilitators discussed the implementation of the agreed actions with the complainant. Based on the complainant's satisfaction with the agreed actions, the Complaints Mechanism closes this part of the complaint without further action.

5 OUTCOMES

- 5.1 The Complaints Mechanism is thankful to the parties and highly welcomes their active and constructive participation in the dispute resolution process.
- 5.2 Taking the above outcome of the dispute resolution process into account, the Complaints Mechanism closes part B1 of the complaint relating to (i) the licenced kirana/grocery vendors, (ii) the relocated family, and (iii) trees and places of worship in line with Article 2.5.6 of the Complaints Mechanism procedures.¹⁰ The Complaints Mechanism will monitor the implementation of the remaining actions agreed between the parties as described in paragraphs 4.5 and 4.10 above.

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¹⁰ [EIB Group Complaints Mechanism procedures dated November 2018](#), Article 2.5.6.