

COMPLAINTS MECHANISM

SG/E/2022/06

**BANGALORE METRO RAIL
PROJECT — LINE 6
(INDIA)**

DISPUTE RESOLUTION REPORT

29 JUNE 2023



SG/E/2022/06

Bangalore Metro Rail Project — Line 6 (India)

Dispute resolution report

Complaint confidential: No

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Disclaimer

This report is based on the information available to the EIB Group Complaints Mechanism up to 13 June 2023.

The EIB Group Complaints Mechanism

The EIB Group 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, that is, 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. In cooperation with relevant internal and external stakeholders, the Complaints Mechanism attempts to resolve problems raised by complainants through a consensual process whilst acting as a problem-solving or pre-emptive dispute resolution function. Whenever possible, and giving due consideration to the type of complaint, the Complaints Mechanism establishes a collaborative resolution process with a view to resolving the dispute by (i) achieving a better and common understanding, (ii) improving the degree of trust between the parties and (iii) seeking to identify a common agreed solution. 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 EIB reply to their complaint may file a complaint of maladministration against the EIB 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 PROJECT

- 1.1 The Bangalore metro rail project (line 6) concerns the construction of an approximately 22 km long metro line with 18 stations and the related purchase of a fleet of about 96 metro cars in the city of Bengaluru, in the state of Karnataka in southern India.² The EIB is providing an investment loan of up to €500 million for the project. The loan to the Republic of India was approved by the EIB's Board of Directors in July 2017. The project is being implemented by the Bangalore Metro Rail Corporation Limited (BMRCL, or the promoter), a joint venture of the Government of India and the Government of Karnataka.³

2 COMPLAINT

- 2.1 On 24 March 2022, the EIB Group Complaints Mechanism (the Complaints Mechanism) received a complaint regarding the project. Growthwatch,⁴ a voluntary research and advocacy institution based in India, is representing and supporting a group of affected students who studied at the Technical Training Centre for the Deaf (TTCD) in Bengaluru. The buildings of TTCD were demolished in 2019 for the construction of an underground station that forms part of the project.
- 2.2 The Complaints Mechanism gathered from its meetings and the documents provided that the TTCD was a private industrial training institute affiliated with the national council for vocational training of the Government of India. It contained an industrial training unit for electronics, a garment unit to train students in cutting and tailoring, and a mechanical/electrical workshop to train students as fitters and turners. After two years of training, students were eligible for a national trade certificate and placement for an apprenticeship, and later, for permanent government or private sector employment. The TTCD premises comprised (i) a technical training unit, (ii) the main offices and an auditorium, and (iii) a hostel block for 40 students from outside Bengaluru.
- 2.3 At the end of 2017, the promoter initiated discussions with the Association of the Deaf of Bengaluru that was operating the TTCD about the need to acquire the land for the construction of an underground station and the potential relocation of the TTCD. In 2019, the association decided to discontinue the activities of the TTCD.
- 2.4 The demolition of the TTCD building began at the end of November 2019. At that time, 43 students (37 male, six female) were enrolled for the academic year 2018–2020. On 30 November 2019, the promoter organised the transfer of three teachers and 41⁵ remaining students to a private educational establishment in Bengaluru, the Ghousia Institute. The TTCD's equipment was donated to the Ghousia Institute. Training classes were conducted at the Ghousia Institute from December 2019 until the outbreak of the coronavirus in March 2020. Accommodation was provided to students in the boys' hostel of the Nettur Technical Training Foundation, 16 kilometres away from the Ghousia Institute.
- 2.5 Growthwatch reported about challenges, which the move to the new location posed to the enrolled students. The commute to the Ghousia Institute, for example, was reportedly challenging for some students, because they were unfamiliar with the city. Furthermore, the training during the time after the move was allegedly intermittent and inadequate. The former

² Bangalore Metro Rail Project — Line 6 project page: <https://www.eib.org/en/projects/pipelines/all/20160816>.

³ Website of Bangalore Metro Rail Corporation Limited: <https://english.bmrc.co.in/#/about-us>.

⁴ Website of Growthwatch: <https://growth-watch.blogspot.com/p/about-us.html>.

⁵ While 43 students were enrolled for the academic year 2018–2020, two students dropped out of the programme before the students were transferred to the Ghousia Institute.

TTCD staff did not support the relocation to the Ghousia Institute, because it was unclear whether their salaries would be paid. The students allegedly were left without a trainer who knew sign language or an interpreter. Additionally, to sit their exams, the students required the support and cooperation of TTCD's management, which no longer had any official standing. Students thus struggled to obtain the mandatory documents to sit the exams (hall tickets) and missed one opportunity to sit the exam in November 2020.

2.6 Growthwatch met the students for the first time in December 2020. It provided them with support to prepare for the exams taking place in March 2021. In August 2021, it wrote to the Asian Infrastructure Investment Bank, which offered to pass on the students' concerns to the European Investment Bank as co-financier. The promoter reached out to the students directly on 13 September 2021. On 16 September 2021, Growthwatch wrote to the promoter requesting a formal meeting with the students and parents.

2.7 Growthwatch and the promoter were in contact before the engagement of the Complaints Mechanism and held a meeting in February 2022. During that meeting, Growthwatch and the promoter discussed how to address the issues encountered by the students at that time and they had already agreed on several actions to be implemented by the promoter, including a consultation meeting with affected students and parents.⁶ While the meeting was appreciated by the parties and led to the payment of first stipends to the students, according to Growthwatch, the promoter has not entirely fulfilled the commitments made during the meeting. In particular, Growthwatch raised the following issues:

- i. No training plan was provided to the students and parents.
- ii. The training was suspended after just three days on 28 March 2022 while waiting for the results of one of the exams.
- iii. Inadequate and poor communication protocol.
- iv. Students were offered sweatshop jobs before completing their exams, instead of an actual industrial training plan and jobs that correspond to their training.
- v. The project-based grievance redress mechanism was not effective. For instance, initially there was no online form to file a complaint with the grievance redress mechanism. Even when the form became available, the messages were forwarded to the general customer care service for metro passengers.

2.8 Growthwatch formulated the following expectations vis-à-vis the promoter in the interest of the students:

- i. Draw up a study plan with inputs from the training partner and share it with the students, parents and Growthwatch.
- ii. Continue the training in line with the study plan for students until certification.
- iii. Continue to provide food and accommodation for outstation students.
- iv. Continue the payment of the stipend for all students.
- v. Monitor the mental health of the students and provide counselling.
- vi. Engage with prospective industries/employers for jobs relevant to the students' industrial training after certification.
- vii. Establish and follow a communication protocol to improve communication with the stakeholders involved.
- viii. Explore the appointment of an alternative training partner.
- ix. Provide reparation in the form of financial compensation to students for the time lost and the mental and emotional hardships faced by the students and their parents.

⁶ For further details see the [Initial assessment report](#), paragraph 5.6.

3 INITIAL ASSESSMENT

- 3.1 The Complaints Mechanism carried out an initial assessment to clarify and understand the concerns raised by Growthwatch and to determine if further work by the Complaints Mechanism was necessary and possible to address the allegations and resolve the issues raised by Growthwatch.
- 3.2 The Complaints Mechanism had meetings with the EIB project team and reviewed relevant project documents. At the end of April 2022, two officers of the Complaints Mechanism met in person in Bengaluru with a group of students, parents, representatives of Growthwatch and of the promoter. The parties provided further clarification on the issues raised and the Complaints Mechanism explained the complaint handling procedure and the possibilities for the way forward.
- 3.3 Building on the exchanges between the parties and the achievements reached thus far, the Complaints Mechanism considered that a facilitated dialogue would be beneficial to address the remaining issues encountered by the students in a constructive way. In particular, the Complaints Mechanism noted that time was of the essence to ensure that students are well prepared for the exams and obtain their certification as soon as possible. Following its mission, the Complaints Mechanism had additional calls with the parties to confirm their willingness to engage in a facilitated dialogue. The Complaints Mechanism proposed proceeding with collaborative dispute resolution in its initial assessment report.⁷

4 DISPUTE RESOLUTION PROCESS

- 4.1 Growthwatch and the promoter agreed to discuss the following topics in the dispute resolution process:⁸
- i. Training and support for the certification
 - ii. Mental health
 - iii. Jobs
 - iv. Stipend
 - v. Communication
 - vi. New technical training centre for the deaf
 - vii. Financial compensation
- 4.2 On 6 July and 20 October 2022, the parties held dialogue sessions in Bengaluru facilitated by an independent facilitator appointed by the Complaints Mechanism. An online joint session was held on 21 December 2022 to follow up on the agreed actions and their implementation status. The facilitator and the Complaints Mechanism also held numerous meetings with Growthwatch and the promoter separately.
- 4.3 The dialogue between the parties over many months involving multiple meetings, calls and written communications resulted in an agreement on the way forward with respect to implementation of the agreed actions. However, the parties did not reach an agreement on Growthwatch's latest request for reparation in the form of financial compensation to students

⁷ [Initial assessment report dated 14 July 2022](#).

⁸ In dispute resolution processes the parties decide on the topics to be discussed. The effectiveness of the project-based grievance redress mechanism was not a separate point discussed between the parties in the facilitated dialogue. As this was an issue raised by Growthwatch (see paragraph 2.2.v in the [Initial assessment report](#)), the promoter confirmed to the Complaints Mechanism that the project-based grievance redress mechanism also receives complaints via an online form (available at: <http://pgrs.bmrc.co.in/Bmrcl/index.php>). Once lodged, the complaints are forwarded to the relevant department.

for the time lost, and the mental and emotional hardship faced. According to Growthwatch, this demand remained unaddressed.

- 4.4 The following sub-sections summarise the main points of the discussion and, where applicable, the action points agreed by Growthwatch and the promoter.

Training and support for the certification

- 4.5 The dialogue between Growthwatch and the promoter aimed at ensuring that the students are provided with the required training and assistance to prepare for the exams and maximise their chances of obtaining the national trade certificate. To reach this objective, the parties discussed and agreed on some action points.
- 4.6 In July 2022, the parties agreed that Growthwatch and the sign language interpreter would coordinate with each other and together discuss the situation with 11 students who were yet to sit some of their exams. The aim was to check if the students would like any of the following support for their upcoming exams in August 2022:
- i. Further classes or tutorials (classroom teaching/capsule crash courses/online classes/weekend classes).
 - ii. Additional teachers from the Ghousia Institute or teachers formerly employed by TTCD to teach students.
 - iii. Training and placement through the Association of People with Disability.
 - iv. Hostel facilities.
- 4.7 Growthwatch also agreed to try to contact two students, who were not responding to the promoter, to check if they were interested in receiving the same support as other students and to inform the promoter accordingly.
- 4.8 The promoter agreed to make enquires with the industrial training institute to check how many attempts remain for students who are yet to sit some exams and inform Growthwatch and the concerned students of the results of the enquiries at the earliest.
- 4.9 In May 2023, the promoter informed Growthwatch and the Complaints Mechanism that 37 out of 41 students have successfully passed their exams in all subjects.⁹

Mental health

- 4.10 In March 2022, prior to the facilitated dialogue, Growthwatch had informed the promoter of concerns about students' mental health and requested that the promoter offer counselling support for any potential mental and emotional distress to the students.
- 4.11 In July 2022, Growthwatch and the promoter agreed to make enquiries about non-governmental organisations offering counsellors or any helpline to make mental health support available to students and share this information with each other.
- 4.12 In October 2022, the parties agreed that the counsellor and the sign language interpreter would contact the students and their parents to inform them about the availability of such support, explain their role and check in on both the students and parents. Subsequently, they would carry out periodical checks and provide the necessary support.

⁹ Four students still have one attempt to sit exams. However, according to the promoter, two of them are not attending the training and refuse to sit the exams despite several invitations.

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Jobs

- 4.13 In February 2022, the parties agreed that the promoter would help students in obtaining skilled jobs relevant to their industrial training once they complete certification.
- 4.14 In July 2022, the parties agreed that the promoter would send letters of recommendation to suitable companies to check their willingness to offer the students paid technical apprenticeships followed by absorption into the same companies wherever feasible.¹⁰
- 4.15 The parties agreed that the promoter would talk with the eight students who had been placed for apprenticeship through the Association of People with Disability to check how they are doing. The promoter agreed to contact the company to arrange for a visit to see how students working there are faring. The promoter further agreed to check on their working conditions, if their salaries meet minimum wage standards, the number of hours they are working per day and if they are getting sufficient breaks from work.

Stipend

- 4.16 In February 2022, the parties agreed that the promoter would pay a monthly stipend of INR 2 500 to all students over 12 months as of March 2022.
- 4.17 In July 2022, the parties agreed that the promoter would share details of the stipend amounts paid to students with Growthwatch. Considering past irregular payment times, the promoter further committed to pay the stipend to the students by the 15th of every month.
- 4.18 Following the discussion about Growthwatch's latest request for financial compensation to students, the promoter offered and committed to support the 11 most vulnerable students by providing additional stipends and bus passes in Bengaluru. The promoter agreed to extend the time for which a stipend in the amount of INR 2 500 would be paid to male students who are not able to find jobs from March 2023 until they get a job or until December 2024, whichever is earlier. It also agreed to provide additional support for female students regardless of whether they are employed or not from January 2023 until December 2024 in the form of a total monthly stipend of INR 3 500. The promoter also offered to assist the students interested in applying to Bengaluru Metropolitan Transport Corporation for a special bus pass offered to persons with disabilities. The passes and their renewal are free of cost.
- 4.19 While Growthwatch welcomed the additional stipend to be paid and the assistance with obtaining the bus passes, it believes that this could not replace the requested financial compensation to students for the time lost, and the mental and emotional hardship faced.

Communication

- 4.20 In July 2022, the parties agreed that the promoter would send each student an official letter in Kannada and English containing details of support that the promoter is and will be providing to the students. Growthwatch agreed to share with the promoter a draft containing points to be included in these letters. The promoter would prepare and share the final draft with Growthwatch within a week of receipt of the draft and agree on the final version.
- 4.21 Growthwatch requested and the promoter offered to try to organise a joint meeting inviting all students and Growthwatch to ensure that all parties including the students and parents were

¹⁰ By May 2023, most of the students obtained their first jobs either by themselves or with the help of the promoter. In May 2023, after the joint sessions, Growthwatch expressed concerns that the jobs offered and accepted by the students are temporary apprenticeship contracts. These contracts in the view of Growthwatch do not sufficiently guarantee that the students will still have a job at the end of their contract. The Complaints Mechanism will follow up with the parties regarding this concern as part of its monitoring mandate.

well aware of all the efforts and deliverables being offered to them. The promoter would arrange lodging and food in Bangalore during the time of the joint meeting for students and their parents who confirmed wanting to travel from outstation to Bangalore to attend the meeting. At this meeting the promoter could hand over to students the letters mentioned in paragraph 4.20 above. If it were not possible for the promoter to organise a joint meeting by mid-September 2022, the promoter would go ahead and send the letters to the students and share a copy with Growthwatch. Scanned versions of the letters would also be shared via email and WhatsApp.

- 4.22 The parties agreed that the promoter would communicate milestones to the students or their parents via letter/email, and day-to-day coordination, logistics and urgent matters via WhatsApp and video calls. If there is feedback to be given to students or parents about their academics/classroom behaviour, if possible, this would be scheduled and provided by the concerned teacher.
- 4.23 The parties also discussed and agreed on the person for the promoter who is responsible for the students and action points to be implemented.

New technical training centre for the deaf

- 4.24 In July 2022, Growthwatch expressed its wish that a new technical training centre for the deaf be created in lieu of the centre that was demolished. According to Growthwatch, Bengaluru's Technical Training Centre for the Deaf was the only private institution in the country offering industrial training certifications for the deaf. The promoter offered to request the Department of Education and the Training/Skill Development Department to set up another technical training centre for the deaf. However, Growthwatch expressed that it would like the promoter to reinstate the centre for the deaf and ensure the necessary infrastructure with teaching and training facilities.

Financial compensation

- 4.25 During the dialogue session on 6 July 2022, the parties discussed Growthwatch's latest request for financial compensation to students for the time lost, and the mental and emotional hardship faced. The promoter informed Growthwatch that it would need time to internally consult and provide its response by email or in a subsequent meeting. The matter was discussed again during the meeting on 20 October 2022, in the presence of the promoter's managing director. The promoter offered to respond within ten days with its proposal. The promoter shared its decision with Growthwatch in an online dialogue session on 21 December 2022. The promoter explained that it was not able to provide a lump sum financial compensation as it lacked grounds under which such payment would be made.
- 4.26 Growthwatch expressed its willingness to continue to engage on this subject with the promoter to try to find a solution within the facilitated dialogue process put in place by the Complaints Mechanism. However, in April 2023, the promoter informed Growthwatch and the Complaints Mechanism that it considers that further meetings will not be able to resolve the matter.

5 OUTCOMES

- 5.1 The Complaints Mechanism welcomes the active and constructive participation of the parties in the dispute resolution process. The process provided a forum for dialogue and exchange and an opportunity to better understand the concerns and limitations. Most importantly, the Complaints Mechanism notes that the active engagement of the parties has led to a significant improvement of the situation for the affected students. For instance, by May 2023, 37 out of 41 students have passed exams in all subjects.

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- 5.2 At the same time, the Complaints Mechanism acknowledges that the parties did not come to an agreement on Growthwatch's request for financial compensation to students for the time lost, and the mental and emotional hardship faced. According to Article 2.5.6 of the Complaints Mechanism procedures, if the parties to a dispute resolution process do not reach an agreement on all the points, the process is closed and a recommendation for an investigation or other specific EIB Group action may follow.¹¹ In its deliberation about a subsequent recommendation, the Complaints Mechanism takes into account the outcomes achieved in the dispute resolution process as well as the nature of the remaining outstanding points. Annex 1 to this report provides an overview of the aspects that the Complaints Mechanism took into consideration and which led to its decision not to recommend any further investigation or other specific action.
- 5.3 As agreed with the parties, the Complaints Mechanism will monitor the implementation of the actions agreed in the dispute resolution process and will issue a monitoring report.

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¹¹ [EIB Group Complaints Mechanism procedures](#), November 2018, Article 2.5.6.

Annex 1

Deliberations guiding the decision of the Complaints Mechanism to not recommend a further investigation (paragraph 2.5.6 of the EIB-CM procedures)

1. Growthwatch and the promoter did not reach an agreement on Growthwatch's latest request for financial compensation to students for the time lost, and the mental and emotional hardship faced. The dispute resolution process is therefore closed without a full settlement. As per the Complaints Mechanism procedures, the closure of a case may be followed by a recommendation for an investigation or other specific EIB Group action.¹²
2. According to the Complaints Mechanism policy, a compliance investigation reviews the EIB's activities with a view to determining whether maladministration that is attributable to the EIB has taken place.¹³ As part of this exercise, the Complaints Mechanism compliance review may also include a substantive review of compliance with standards, especially in the case of complaints regarding environmental and social impacts.¹⁴
3. The EIB environmental and social standard 6 on involuntary resettlement requires that the promoter assist all displaced persons to improve, or at least restore, their former livelihoods and living standards and adequately compensate for incurred losses because of the project.¹⁵
4. In 2019, the Association of the Deaf of Bengaluru that was operating the TTCD decided to discontinue the activities of the training centre. This decision appears to have been a voluntary decision by the association despite the promoter's resettlement offer. On 30 November 2019, the promoter organised the transfer of three teachers and all 41 remaining students to a private educational establishment in Bengaluru, the Ghousia Institute. The TTCD's equipment was donated to the Ghousia Institute. Accommodation was provided to students in the boys' hostel of the Nettur Technical Training Foundation. Training classes were conducted at the Ghousia Institute from December 2019 until the outbreak of the COVID-19 pandemic in March 2020, when a nationwide lockdown was imposed.
5. Once Growthwatch raised its concerns with the promoter, the latter agreed to organise the training sessions with a sign language interpreter, provide accommodation for outstation students as well as a monthly stipend for one year, and help students in obtaining skilled jobs relevant to their industrial training once they complete their certification. During the facilitated dialogue, the promoter agreed to make mental health support available to students. The promoter also offered an additional stipend to the most vulnerable students.
6. The Complaints Mechanism acknowledges that the closure of the TTCD, the ensuing move of the students and COVID-19 restrictions all together negatively affected the wellbeing and education of the students. At the same time, the Complaints Mechanism understands that there were different reasons why the students were not able to continue their studies, such as the decision of the trust managing the TTCD not to continue its operation and the lockdowns due to the COVID-19 pandemic.¹⁶ Therefore, no clear causal link can be established between the project and the time lost by the students and the mental and emotional hardship faced. Nevertheless, it is possible that the project contributed to the decision and in particular the

¹² [EIB Group Complaints Mechanism procedures](#), November 2018, Article 2.5.6.

¹³ Maladministration means poor or failed administration. It occurs when the EIB Group fails to act in accordance with a rule or principle that is binding upon it, including its own policies, standards and procedures.

¹⁴ [EIB Group Complaints Mechanism policy](#), November 2018, Article 5.3.3.

¹⁵ [EIB Environmental and Social Standards](#), version 10.0 of 8 October 2018, page 42, paragraph 2.

¹⁶ COVID-19 lockdowns were imposed in Bengaluru from the end of March to the end of May 2020 and from end of April to July 2021 with different degrees of restrictions.

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timing of the closure of the TTCD. The actions of the promoter as outlined in the dispute resolution report as well as in paragraph 5 of Annex 1 for the continued education of the TTCD students which, according to the promoter, amounted to INR 1 769 500 (€20 000) as of March 2023,¹⁷ represent a significant contribution to remedying the negative impact on the students.

7. In view of the above, the Complaints Mechanism does not find sufficient indications to open an investigation into a possible maladministration of the EIB regarding this aspect.

¹⁷ Examination fee of INR 16 000 and hostel facility fees of INR 336 500 paid for the students by BMRCL. Stipend amount of INR 1 242 000 paid to 41 students from March 2022 until March 2023. In addition, BMRCL has paid INR 175 000 to the Ghousia Institute as service charges for providing training.