COMPLAINTS MECHANISM

SG/E/2024/21

KANPUR METRO PROJECT AND AGRA METRO RAIL PROJECT (INDIA)

CONCLUSIONS REPORT

11 NOVEMBER 2025

European Investment Bank | Group

CM Complaints Mechanism

SG/E/2024/2121
Kanpur Metro Project and Agra Metro Rail Project (India)
Conclusions Report

Complaint confidential: No

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Disclaimers

The conclusions presented in this report are based on the information available to the EIB Group Complaints Mechanism Division up to 14th July 2025. The conclusions are addressed solely to the EIB.

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 or the Bank) 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. The mandate of the Complaints Mechanism includes the resolution of problems raised by complainants in cooperation with relevant internal and external stakeholders. Where possible, the Complaints Mechanism also actively promotes and supports local resolution efforts (for example, through project-level grievance mechanisms). 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. THE PROJECT

1.1. The complaint concerns two EIB financed operations: the Kanpur Metro project[2] and the Agra Metro Rail project[3]. The projects were approved by the EIB Board of Directors on 15 July 2020 and 15 December 2021 for amounts of up to € 650 million and € 450 million respectively.

1.2. The projects (the projects) consist of the following works:

i. The Kanpur Metro project includes building and operating an urban metro rail transit system, totalling 32.4 km with 30 stations in Kanpur, India, the development of two metro rail corridors with elevated sections (altogether, 19.4 km with 18 stations) and underground sections (altogether, 13 km with 12 stations), as well as the acquisition of rolling stock.

ii. The Agra Metro project involves the construction and operation of two interconnected urban metro rail lines, in total 30 km long, with 27 stations and the acquisition of the related rolling stock, in the historic city of Agra, in the state of Uttar Pradesh in northern India.

1.3. The borrower of both projects is the Republic of India, represented by the Department of Economic Affairs of the Ministry of Finance and both projects are executed by the Uttar Pradesh Metro Rail Corporation Limited (the promoter). The General Consultant (GC) selected by the promoter for both projects is a joint venture between Typsa Consulting and Italferr.

2. THE COMPLAINT

2.1. On 26 March 2024, the EIB Complaints Mechanism (EIB-CM) received a complaint from an individual, a former manager of the GC, alleging misuse of authority by the promoter of the projects, which translated into alleged falsification of documents, psychological violence and retaliation against the staff of the GC[4]. The complainant also referred to dysfunctional governance and a non-effective grievance mechanism within the structures of both projects.

2.2. On the basis of the written complaint, further information and supporting documentation shared by the complainant, and following the initial assessment shared with the complainant on 19 December 2024[5], the EIB-CM undertook to perform a compliance review of the following allegations:

i. Inappropriate conduct by the project's promoter, including verbal violence and bullying against the GC's employees.

ii. Non-effective grievance mechanism to lodge complaints regarding the labour conditions on the projects.

2.3. In line with the EIB-CM Policy[6], the compliance review focuses on possible instances of maladministration by the EIB and potential non-compliance of the projects with the applicable EIB environmental and social standards and, in particular, the implementation of labour standards (Standard 8), including human resources policies and procedures in the context of the projects and implementation of a workers' effective grievance mechanism in the context of the projects.

[2] More information on the project on the EIB website: KANPUR METRO PROJECT (eib.org)

[3] More information on the project on the EIB website: AGRA METRO RAIL PROJECT (eib.org)

[4] The complaint includes allegations related to contractual matters between the project promoter and the GC, dysfunctional project management and/or fraud / falsification of documents, which fall outside the mandate of the Complaints Mechanism. In line with § section 4.3.2 of the Complaints Mechanism Policy, allegations concerning third parties cannot be handled by the Complaints Mechanism.

[5] Initial assessment report for the Kanpur and Agra Metro Rail Projects (India)

[6] Available at: EIB Group Complaints Mechanism Policy.

3. WORK PERFORMED

3.1. The EIB-CM undertook an initial assessment, finalised in December 2024, with the objective of clarifying the concerns raised by the complainant and to determine if further work by the EIB-CM was necessary and/or possible in order to address the allegation(s) or resolve the issue(s) raised by the complainant[7].

3.2. During the initial assessment, the EIB-CM organised a meeting[8] with the complainant to understand better the allegations and to obtain further details and clarifications regarding those. The EIB-CM outlined its mandate and role in addressing complaints related to the EIB maladministration. It also emphasised the necessity for projects and promoters to comply with the Bank's environmental and social standards. A meeting was also held with the EIB services in charge of the projects to present the complaint, collect relevant information, and discuss the way forward.

3.3. Based on its initial assessment, the EIB-CM decided to proceed with a compliance review in relation to the alleged instances of non-compliance of the projects with the applicable EIB environmental and social standards, as raised by the complainant and presented in section 2 above.

3.4. As part of its review, the EIB-CM conducted a second meeting with the complainant (in January 2025) and a meeting with the promoter (in February 2025) to gather information on the raised issues. Information related to the projects was also reviewed, including the respective environmental and social impact assessments[9], the Environmental and Social Data Sheets (ESDS) for both projects[10], the finance contracts and different technical documents referred to further in this report.

3.5. A call was organised with the complainant on 9 July 2025 with the purpose to keep him informed on the status and progress on the handling of the complaint, the need to extend the deadline of the conclusions report and provide additional clarifications on the process.

4. REGULATORY FRAMEWORK

EIB Group Complaints Mechanism

4.1. The EIB-CM Policy[11] tasks the EIB-CM with handling complaints concerning alleged maladministration by the EIB.[12] Maladministration means poor or failed administration.[13] This occurs when the EIB fails to act in accordance with the applicable legislation and/or established policies, standards and procedures.[14] Maladministration may also relate to the environmental or social impacts of the EIB Group's activities and to project cycle-related policies and other applicable policies of the EIB Group.[15]

4.2. The EIB-CM Policy specifies that it is the role of the EIB-CM to review the EIB's activities with a view to determining whether maladministration attributable to the EIB has taken place.[16] This

[7] § 2.2.1 of the Procedures.
[8] Meeting took place via conference call on 23 July 2024.
[9] Kanpur and Agra ESIA
[10] Agra ESDS and Kanpur ESDS
[11] EIB Group Complaints Mechanism Policy
[12] EIB Group Complaints Mechanism Policy, Section 5.1.3.
[13] Ibid, Section 3.1.
[14] Ibid Section 3.
[15] Ibid Section 3.3.
[16] The EIB Group Complaints Mechanism Policy, section 5.3.3

review may include a substantive review of the relevant project's compliance with environmental and social standards.[17]

4.3. The EIB-CM will not pass judgement on activities under the sole responsibility of third parties[18]. Third parties' activities include those of the promoter or the borrower, or of authorities at local (including indigenous authorities), regional, or national level.

Finance contract

4.4. The finance contracts, between the Bank and the borrower (the Republic of India, represented by the Department of Economic Affairs of the Ministry of Finance), provide for a loan for the execution of the two projects.

4.5. In the finance contracts for both projects, the definition of 'Environmental and Social Standards' includes:

i. Environmental Laws and Social Laws applicable to the Project, the Borrower or the Promoter;

ii. the EIB Statement of Environmental and Social Principles and Standards;

iii. the EIB Environmental and Social Standards, as set out in Volume I of the EIB Environmental and Social Handbook;

iv. the ILO Standards; any treaty, convention or covenant of the ILO signed and ratified by or otherwise applicable and binding on the Republic of India, and the Core Labour Standards (as defined in the ILO Declaration on Fundamental Principles and Rights at Work); and

v. the various environmental and social documents applicable to the project including, among others, the environmental management plans and stakeholder engagement plans.

4.6. The project undertakings set forth in both finance contracts confirm that the borrower shall guarantee that the promoter implements and operates the projects in compliance with the applicable Environmental and Social Standards and monitors and reports on their implementation regularly, to the Bank's satisfaction.

EIB Environmental and Social (E&S) Standards

4.7. The E&S applicable regulatory framework includes, beyond the relevant national law, the EIB 2009 Statement of Environment and Social Principles (the Statement)[19] and the applicable EIB procedures and standards (including the EIB Environmental and Social Handbook, volume 2[20] and the EIB Environmental and Social Standards as updated in 2018[21]). In particular:

i. **Standard 1** outlines the promoter's responsibilities in the process of assessing, managing, and monitoring environmental and social impacts and risks associated with a project[22].

ii. **Standard 8** aims at ensuring that the promoter respects the core labour standards of the International Labour Organisation (ILO)[23]. Where there are gaps in implementing the standards to the relevant project, the promoter shall develop and implement programmes and procedures to ensure that the ILO's core labour principles and standards are adhered to or are reached during project implementation. The objective is to prevent unacceptable

[17] Ibid, section 5.3.3
[18] The EIB Group Complaints Mechanism Procedures, Article 1.4.5
[19] EIB's Statement of Environment and Social Principles and Standards (2009)
[20] See eib-environmental-and-social-handbook.pdf, version of 2/12/2013.
[21] Environmental and Social Standards (2018) (eib.org)
[22] Environmental and Social Standards version 10.0 of 08/10/2018, Standard 1, paragraph 5
[23] ILO 1998 Declaration on Fundamental Principles and Rights at Work and its Follow-up

forms of labour and employment practices, and to promote the development of a sound management of worker relations.[24]

iii. **Standard 8** also states that the promoter shall comply with the relevant national labour laws and develop or update a management system that covers the enforcement of, and compliance with, labour standards and the monitoring of the promoter's contractors[25]. Such a policy should outline the promoter's approach to managing employees and, at a minimum, contain information on the employees' rights under national labour and employment law, as well as demonstrate consistency with the objectives of this Standard 8.

iv. **Standard 8** (§ 15) clarifies that the EIB labour standards apply not only to the workers of the promoter, but also to the workers engaged through third parties who carry out essential work related to the project (such as the workers of the contractors). Standard 8 is therefore applicable, regardless of the form of contractual relationship between the complainant and the contractor.

v. **Standard 8** (§ 39) also states that the promoter should set up an independent grievance mechanism where workers can raise workplace concerns. The promoter should additionally grant workers free and easy access to such grievance mechanism.

4.8. The EIB Environmental and Social Handbook, volume 2 of 2013 describes the procedures applicable for the EIB E&S appraisal and monitoring. For appraisal, this includes the appraisal of key social risks and/or non-compliance with the relevant E&S standards, and an assessment of the environmental and social management system in place to manage these risks[26]. Particular attention should be paid to potential adverse impacts on vulnerable groups[27]. Accordingly, and if necessary, the EIB should define mitigations and monitoring requirements and reflect these in the finance contract[28]. The extent and type of monitoring varies according to different types of operations. Monitoring aims at ensuring compliance with the E&S Standards and other ad-hoc E&S conditions and reporting requirements in the finance contract.[29]

4.9. The applicable internal procedures of the EIB complement the EIB Environmental and Social Handbook, volume 2 of 2013. They describe the project teams' roles and responsibilities during the entire project lifecycle. During the appraisal, project teams are expected to assess environmental, social and climate (ECS) risks and describe these in the ESDS.

4.10. The Bank needs to ensure that the project complies with the principles and applies the Core Labour Standards of the ILO alongside EU social law pertaining to labour conditions. The core labour standards potentially applicable for this case are equal treatment and equal opportunity (ILO Convention 111), summarised as no discrimination based on race, caste, origin, religion, disability, gender, sexual orientation, union or political affiliation, or age, as well as absence of sexual harassment[30].

5. FINDINGS

5.1. As stated in section 2 above (see paragraph 2.2), this compliance review is focusing on the allegations of (i) inappropriate conduct of the project promoter and (ii) workers' grievance mechanism.

5.2. Both projects developed environmental and social documentation prior to the beginning of the respective construction works, which was evaluated by the EIB project team and disclosed on

[24] EIB's Statement of Environment and Social Principles and Standards (2009)
[25] Environmental and Social Standards version 10.0 of 08/10/2018, Standard 8, paragraph 18
[26] See eib-environmental-and-social-handbook.pdf, version of 2/12/2013, sections B.2.1, B.2.3, B.2.7, B.2.8.
[27] Ibid, sections B.2.2, paragraph 137.
[28] Ibid, sections B.2.10, B.2.11.
[29] Ibid, see section B.3.1.
[30] ILO Convention No. 190 on Violence and Harassment has not been ratified by India

the Bank's website at the time of the signature of the finance contracts. The following studies were undertaken and disclosed: environmental and social impact assessment[31], resettlement policy framework[32] and resettlement action plans[33].

5.3. Regarding the first allegation of '*inappropriate conduct by the projects' promoter, including verbal violence and bullying against the GC's employees*', the complainant mainly referred to the notion of alleged '*toxic management'* in the complaint, without providing further details on the behaviour that was being challenged. After being requested by the EIB-CM, the complainant provided additional written correspondence, as well as verbal statements during interviews. However, none of the provided elements or supporting evidence seemed to substantiate any misconduct by the promoter in relation with its labour-related obligations under the EIB E&S Standards listed in paragraph 4.7 above. As a result, the EIB-CM could not determine the existence of prima-facie indications of non-compliance with the applicable project EIB E&S Standards to justify a further compliance assessment of this allegation.

5.4. On the second allegation, linked to '*non-effective grievance mechanism to lodge complaints regarding the labour conditions verified on the projects*, the EIB-CM carried out an assessment of the EIB appraisal and monitoring of both projects to understand if the Bank had adequately identified the risks linked to the potential poor development and implementation of an effective workers' grievance mechanism.

5.5. The ESDSs, developed by the EIB project team, summarise the risks identified during the appraisal, based on the conclusions of the due diligence performed by the EIB. Both ESDSs state that "*Other potential social risks arising due to the project are: (i) poor application of relevant labour standards related to employee working conditions during construction and operation and (ii) poor occupational and community health and safety during construction. These will be addressed primarily through the inclusion of contractual obligations for the first-tier suppliers and contractors, which will be enforced by the promoter's supervision team and external supervision in environmental, health & safety and social matters.*"[34]

5.6. As presented in section 4, Standard 8 states that the promoter shall comply with the relevant national labour laws and develop the appropriate management systems that cover the enforcement of, and compliance with, labour standards and the monitoring of the promoter's contractors. On this matter, the promoter of both projects developed a detailed document that presents the conditions of contracts on safety, health and environment (SHE) that apply to the contractors. This document defines the principal requirements of the promoter on SHE associated with the contractors / sub-contractors and any other agency to be implemented on the construction worksites at all times. This document mainly focuses on SHE audits and inspections as well as accident reporting and investigation but does not, however, define requirements in term of workers' grievance mechanism development and implementation.

5.7. A joint grievance redress mechanism (GRM) for the employees of both projects was developed by the promoter (in charge of both Agra and Kanpur projects) in 2021 and also applies to labour-related grievances. The requirement for a general grievance mechanism for the Kanpur project is included in the project's social impact assessment study[35]. The employees' GRM that was developed for the Kanpur Metro project was also applicable to the Agra Metro project since the promoter is the same. The updated environmental and social management plan (ESMP) finalised in 2023 for the Agra project[36] and based on the output of the technical environmental and social studies, also confirms that a GRM has been developed for lodging grievance complaints during the implementation of the project, including those of employees. A 'labour welfare officer was appointed by the contractor of both projects to work on grievances related

[31] Kanpur and Agra ESIA
[32] Kanpur Resettlement Policy Framework – Agra Resettlement Policy Framework
[33] Agra resettlement action plan – Kanpur Resettlement Action Plan
[34] Agra ESDS and Kanpur ESDS
[35] Social impact assessment study for the Kanpur Metro Project – September 2022
[36] Updated ESMP for the Agra metro project – December 2023

to health and safety measures for workers at site. For grievances related to welfare facilities, safety at site and site working conditions, immediate actions are supposed to be taken by the project team. However, compensation/salary related grievances are first considered by the labour welfare officer and then by the finance or human resources department. The report states that labour grievances should be resolved within a maximum of 15 days.

5.8. The contractor's SHE team reviews the work performance of the labour welfare officer. Grievances are then discussed during the monthly SHE committee meetings. This committee is led by the contractor and includes representatives from different departments (management, HR, SHE, Finance). Sub-contractors' representatives also participate in these meetings.

5.9. The 2023 reporting to the EIB for both projects confirms that a grievance redress mechanism is in place for both employees and workers at site. The reporting also states that no major issues have been encountered at the site. Workers' grievance registers and suggestions boxes are present at both sites for employees.

5.10. The September 2024 Agra project reporting to the EIB confirmed that no official grievances had been received from contractual workers, and that feedback on general issues related to basic facilities at site were received informally by the site supervisors directly. Every month, during the SHE committee meeting, the worker's representatives are asked to report on any relevant issues encountered to address potential workers' grievances.

5.11. In its August 2024 Kanpur project reporting, the EIB project team states that the promoter should hire a third-party independent auditor to undertake regular environmental and social monitoring of the Kanpur project for better monitoring and control over environmental and social issues. The Complaints Mechanism understands that the EIB project team interprets the requirement for such an independent audit to be a condition for the following disbursement of the EIB loan and applies to both projects.

5.12. Further to the above, the services of the Bank confirmed that a third-party auditor was hired to perform external audits of the environmental and social performance of both projects. The January 2025 audit report confirms that both projects made significant progress in addressing social and environmental challenges. However, the report also states that the functioning of the general GRM (both for labour-related and external grievances) was found to be inadequate, highlighting the need for effective implementation to address stakeholder concerns. The report therefore recommends "*to increase the frequency and coverage of the GRM management meetings to address both internal (employee-related) and external (community and road user-level) grievances*".

5.13. The assessment of the documentation related to the projects' GRM (which, as described above, applies also to labour grievances from the projects' workers), together with the conclusions of the external environmental and social audit of January 2025, reveal that a workers' GRM is indeed in place for both projects. However, as referred to in the above-mentioned audit report, this mechanism does not seem to be effective as it appears to rely mostly on direct contact between the workers and their hierarchy, with limited written evidence of management and follow up on the grievances. This is demonstrated by the absence of registered grievances notified in the reporting to the Bank.

5.14. Based on the information presented above, the EIB-CM considers that the services of the Bank did identify adequately the risks related to the development and implementation of a workers' GRM (as per paragraphs 5.5 to 5.7) and that they undertook sufficient efforts to evaluate the efficiency of the GRM during the project implementation, through reporting requirements and the specific request for an external audit of the environmental and social performance of both projects (including the performance of the projects' GRM).

6. OUTCOMES

6.1. Based on the findings presented in section 5, the EIB-CM considers that, regarding the **allegation related to inappropriate conduct by the projects' promoter**, the complainant did not provide sufficient elements nor supporting evidence to substantiate misconduct by the promoter in relation to its obligations under the EIB E&S Standards. The EIB-CM could therefore not determine the existence of indication of non-compliance with the applicable EIB E&S Standards to justify proceeding with further compliance assessment of this allegation. Regarding the **allegation related to the workers' grievance mechanism**, the EIB-CM understands that the EIB project team will monitor closely the upgrade and proper implementation of the existing workers' GRM for both projects (within six months) to ensure that, as per Standard 8 (§ 39, see paragraph 4.7.v), workers can raise workplace concerns and to grant workers free and easy access to such grievance mechanisms. The EIB-CM will liaise with the EIB project team on its monitoring of the mentioned upgrade and proper implementation of the existing workers' GRM for both projects and publish information on its website on the progress of the upgrade of the existing workers' GRM accordingly.

6.2. The EIB-CM will monitor the implementation by the Bank of this suggestion and will publish a report on its website on the progress and results of its implementation.

EIB Group Complaints Mechanism