Independent Complaints Mechanism

Notice of Admissibility

22 October 2025

Complaint ICM 25-009 re: FISEA/Chain Hotel Conakry, Guinea (Proparco)

Procedural Timeline

On 28 June 2025, Proparco's Complaints Office received a complaint concerning the Chain Hotel Conakry (CHC) project, financed through FISEA, a company wholly owned by the French Development Agency (AFD) and managed operationally by Proparco under a mandate. CHC is a subsidiary of the Teyliom Group (Client), a regional consortium operating in various sectors.

The complaint was forwarded to the Independent Expert Panel (the Panel) of the Independent Complaints Mechanism (the Mechanism or ICM) on 1 July 2025. On 17 July 2025, the Panel held a virtual meeting with the complainants to obtain further information relevant to the admissibility assessment.

On 9 September 2025, the Panel held a conference call with the Proparco team. The team clarified that FISEA had provided 3 million in equity investment to Teyliom in 2015, before Proparco joined the Mechanism.

As the agreements with Teyliom/CHC were signed before Proparco officially joined the Mechanism, they do not include explicit clauses relating to the Mechanism. However, the absence of these contractual clauses does not prevent the complaint from being admissible. Paragraph 2.1.3 of the ICM policy states that "*If a Complaint relates to a case in which the necessary contractual arrangements are missing, these have to be agreed before the ICM can effectively address the Complaint. This will require additional time and, depending on the scope of the actual contractual arrangements, might restrict the Mechanism as set out in the ICM Policy. In the event that the Complaint requires an approach, which deviates from the ICM Policy, the Complainants will be informed on a regular basis on the approach and the process that will be followed.*"

Proparco also informed the Panel of a commercial dispute between FISEA and Teyliom Group/CHC concerning the repayment of the capital investment in Teyliom Group/CHC. Proparco stated that its interactions with Teyliom Group/CHC have been limited to the context of legal proceedings. FISEA is no longer in direct contact with CHC, and all communications are handled by legal advisers.

Despite multiple requests, the Panel was unable to obtain the relevant financial documentation and client correspondence due to banking secrecy. According to Proparco, given the ongoing dispute, FISEA/Proparco cannot ask the Client to waive this protection in order to share further information. The Proparco team was only able to share the publicly available ruling handed down on 6 June 2024 by the Paris Commercial Court.[1]

The Complaint

The complainants are affected fishing communities from Téménétayé, Conakry, Guinea, represented by the non-governmental organisation Même Droits pour Tous (MDT). The affected communities provided a letter of authorisation signed on 25 February 2025. The complaint alleges that the rights of the fishing communities were infringed as a result of the construction of the Noom Hotel – which is partly owned by CHC – in the area where the fishing community lived and worked. The allegations include forced physical

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[1] Paris Commercial Court, 3rd Chamber, ruling of 6 June 2024, Case No. 202205689, FISEA v Teyliom International and others, amended by rulings of 10 October 2024 and 13 February 2025.

and economic displacement without adequate replacement or compensation, as well as impacts on health and livelihoods. The complaint also highlights shortcomings relating to stakeholder consultation, transparency and compliance with social and environmental standards. The complainants argue that Proparco and FISEA are liable on account of their involvement in and supervision of the project.

The complainants are calling on the Noom Hotel to respect their right to dignified and fair resettlement and to the adequate restoration of their livelihoods. They would like the ICM to facilitate a mediation process between them and the Noom Hotel to ensure their rights are upheld, including fair and adequate resettlement and compensation for the damages and losses they have suffered.

According to the complaint, members of the community and MDT made several attempts to contact the Noom Hotel in order to seek a solution but received no reply.

Admissibility Criteria

The Panel assesses the admissibility of complaints on the basis of the criteria laid out in paragraph 3.1.4 of its policy.[2] This requires that Proparco has, or will have, an active financial relationship with the client. The ICM Policy further requires that the complaint must contain allegations of (potentially) substantial (in)direct adverse impacts and risks, and that there is a relationship between the Proparco-Financed Operation and the subject of the complaint. Any allegation of harm that could fall within the scope of the ICM policy must therefore relate to the social, environmental and human rights standards that the Mechanism's policy aims to safeguard.

The Panel emphasises that a decision to declare a complaint admissible does not imply any opinion on the alleged harm or on whether that harm was caused by, or is otherwise linked to, non-compliance with any of Proparco's applicable policies. The assessment of admissibility is limited to determining whether the complaint falls within the scope of the Mechanism on the basis of the criteria set out in its policy. The decision on admissibility is based solely on the allegations contained in the complaint itself. It is only in the subsequent stages of the Mechanism's process that the Panel verifies and assesses the allegations through a detailed review, including discussions with all stakeholders and a review of the relevant documents. Furthermore, if, following the preliminary review, the Panel finds that no relationship can be established between the Proparco-Financed Operation and the social, environmental and human rights standards applicable to the project, it may decide to close the case.

Having carefully reviewed the complaint, the Panel finds the complaint admissible before the ICM. The decision is based on the reasons set out below.

Admissibility Assessment

<u>Active financial relationship</u>

The complaint relates to a project financed by FISEA, a company wholly owned by the French Development Agency (AFD) and managed operationally by Proparco under a mandate. Proparco acts as FISEA's agent, in particular with regard to the implementation, monitoring and management of investments, including the monitoring of environmental, social and governance (ESG) performance. Proparco, acting in the name and on behalf of FISEA under its mandate, appoints a representative of FISEA as an observer on the Board of Directors of CHC.

The management and governance role exercised by Proparco under its mandate confirms the existence

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[2] The Panel operates independently of Proparco and is governed by a procedure that is open to the public (see the policy: Proparco Independent Complaints Mechanism).

of an active financial relationship between FISEA and the client.

According to Proparco's team, the Client has not yet repaid the equity investment made by FISEA, which demonstrates that a financial and contractual relationship continues to exist.

According to the Mechanism's policy, this applies to any "Proparco-Financed Operation", which is defined as "Any activity or asset of the Client that is financed or is to be financed by Proparco funds or funds administered, in whole or in part, by Proparco, regardless of the nature of the financial instrument (loan, equity, project finance, grant, assistance)". Consequently, the investment in CHC through FISEA clearly falls within the definition of a financed operation.

The Panel therefore considers that there is an active financial relationship between FISEA and the client, Teyliom/CHC, with Proparco acting as an agent.

<u>Substantial direct adverse impacts</u>

The Complaint raises allegations of substantial harm in the form of involuntary resettlement, impacts on livelihoods and a lack of consultation with affected local communities, allegedly caused by the construction of the Noom Hotel. These issues fall within the environmental, social and human rights subject-matter scope of the ICM policy. In particular, the allegations of harm are sufficiently linked to the application of IFC Performance Standards 1, 4 and 5.[3] There is also sufficient indication that these issues are linked to the project financed by FISEA and implemented by Proparco, acting as agent.

<u>Relationship between the financed operation and the subject matter of the complaint</u>

The ICM Policy requires an indication of a relationship between the financed operation and the subject-matter of the complaint. The allegations raised in the complaint clearly relate to social, environmental and human rights standards as defined in paragraph 2.3 of the ICM Policy. Furthermore, in this case:

- FISEA invested in the Chain Hotel Conakry project;
- This investment was implemented and monitored with the support of Proparco, acting as agent – particularly with regard to environmental and social aspects – and through its participation as an observer on the Board of Directors of CHC;
- The alleged impacts, including forced resettlement and a lack of consultation, are related to the project financed by FISEA and implemented by Proparco, acting as agent; and
- The commercial dispute demonstrates that financial and contractual relationships continue to exist, further confirming the relationship.

Furthermore, Proparco coordinated an independent audit in 2016, maintained active engagement with the client from 2015 to 2019, and sought to address issues relating to social impacts. These sustained activities confirm the existence of a relationship between the financed operation and the subject matter of the Complaint.

Conclusion

In light of the foregoing, the Panel concludes that the complaint meets the admissibility criteria set out in the ICM Policy. The active financial relationship between FISEA and the client, together with Proparco's involvement as agent, the substantial nature of the alleged impacts and the relationship with the financed project, justify considering the complaint to be admissible.

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[3] See the IFC's Performance Standards on Environmental and Social Sustainability (2012): https://www.ifc.org/content/dam/ifc/doc/2010/2012-ifc-performance-standards-en.pdf

However, given the litigious nature of the relationship between FISEA and its client and the absence of clauses relating to the Mechanism in the relevant agreements, the Panel anticipates significant challenges in processing this complaint within the timeframes and in accordance with the procedures set out in its policy. During the preliminary review phase, the Panel will do its utmost to access relevant information and explore the available approaches to handling the complaint. Throughout the process, the ICM will remain transparent and committed to keeping the complainants regularly informed of its approach and the next steps in the complaints process.

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