# INDEPENDENT COMPLAINTS MECHANISM (ICM)

**Notice of Eligibility**
**ICM Complaints 26-027, 028, 029, 030: Upper Trishuli 1 - Nepal**

12 November 2026

## Procedural History

On 20 October 2026, FMO forwarded three Complaints received by other lenders concerning the Upper Trishuli 1 (UT-1) project in Nepal. The ICM registered these as Complaints 26-027, 26-028 and 26-029. Through communication with the Complainant in Complaint 26-027, the ICM subsequently received a related complaint in Nepali, which it registered as Complaint 26-030 on 26 October 2026. An English translation was subsequently provided by the Complainants via WhatsApp on 27 October 2026. All Complaints are directed to FMO and Proparco, among other lenders.

The ICM acknowledged receipt of the respective Complaints: Complaint 26-027 via e-mail on 21 October 2026, and Complaint 26-028, Complaint 26-029, Complaint 26-030 through WhatsApp on 26 October 2026, the Complainants' preferred communication method. On 28 October 2026, the Complainants jointly submitted representation agreements outlining at least 31 affected persons. The ICM held a call with a group of Complainants on 2 November to understand the issues alleged in the Complaint, to verify representation, and the Complainants' relationship to the victims.

Since all four Complaints concern the same Project, Client, and substantially overlapping issues, the Independent Expert Panel of the ICM (hereafter the 'Panel') has consolidated Complaints 26-027, 26-028, 26-029 and 26-030 for the purposes of the eligibility assessment and subsequent case handling. The original Complaint numbers will be retained to preserve the administrative record and the identity and representation arrangements of each group of Complainants. Throughout the eligibility phase, the ICM held several conversations with other Independent Accountability Mechanisms (IAMs) who have received similar Complaints related to the same Client and Financed Operation.

## Context

The consolidated Complaint concerns Upper Trishuli 1 (UT-1), a 216 MW hydropower project located on the Trishuli River in Nepal. On 26 August 2026, a natural disaster caused the Trishuli River to inundate areas where workers were accommodated on or near the riverbed, resulting in workers being reported dead or missing.

Taken together, the Complainants allege serious failures in the identification and management of environmental and social risks, occupational health and safety safeguards, emergency preparedness and response, environmental risk assessment, and the location and quality of worker accommodation in a high-risk area for natural disasters.

Some Complainants also allege that the UT-1 Project was developed without adequate consultation with Indigenous Peoples and has had adverse impacts on Indigenous Peoples' rights, land, water and forests.

The Complainants include direct family members of missing workers, representatives acting with consent on behalf of family contacts associated with 21 missing workers, and a group of 31 individuals who submitted their concerns collectively. The Panel notes that these categories may overlap and therefore does not treat them as an aggregate count of distinct affected persons at this stage.

**Eligibility Criteria**

The Panel assesses eligibility of Complaints based on criteria laid out in paragraph 6.14 of the ICM Policy.[1] The Panel will deem a Complaint eligible if it alleges:

i) adverse environmental, social and/or human rights impacts,
ii) that the impacts are connected to a DFI Financed Operation where exit has not taken place, and
iii) that the Complainant is or is likely to be affected by the adverse impacts raised in the Complaint.

**The Panel's Assessment**

Adverse environmental, social, and/or human rights impacts

The Panel considers the issues raised to be serious and capable of engaging IFC Performance Standards, which the Client commits to in financial agreements. Particularly, the Panel notes the importance of Performance Standard 1 on Assessment and Management of Environmental and Social Risks and Impacts, and its requirements concerning risk and impact identification, environmental and social management systems, and emergency preparedness and response.

The allegations concerning the location and conditions of worker accommodation in an area of high environmental risk may also engage paragraph 12 on workers' accommodation and paragraph 23 on occupational health and safety under IFC Performance Standard 2 on Labor and Working Conditions. The allegations concerning worker encampments on or near the riverbed may further engage IFC Performance Standard 4 on Community Health, Safety, and Security, including infrastructure and equipment design, safety, and emergency preparedness and response.

To the extent that the consolidated Complaint raises allegations concerning inadequate consultation with Indigenous Peoples and project activities affecting Indigenous lands, water and forests, the allegations may also engage IFC Performance Standard 7 on Indigenous Peoples and paragraph 32 of Performance Standard 1 regarding stakeholder engagement and consultation.

The Complaints also raise concerns regarding compliance with applicable occupational health and safety standards, engaging UN Guiding Principle 23, which provides that business enterprises should comply with applicable laws and respect internationally recognized human rights wherever they operate. The Complainants allege that the lenders failed to ensure adequate worker health and safety protections, with reference to Sections 68 and 69 of Nepal's Labour Act, 2017 (2074 B.S.), which establish responsibilities concerning workplace occupational health and safety.

[1] https://fmo.procurios.cloud/l/en/library/download/urn:uuid:1c345863-472b-4c8c-8603-e738d6cbdb23/2026_03_01_final_icm_policy.pdf

Active financial relationship with the Client

The UT-1 Project is developed by Nepal Water and Energy Development Company (NWEDC, or "the Borrower"). NWEDC is majority-owned by three South Korean strategic investors (together the "Sponsors"): Korea South East Power Company ("KOEN", 50%), Daelim Industrial Co. Ltd. ("Daelim", 15%), and Kyeryong Construction Industrial Co. Ltd. ("Kyeryong", 10%). In 2013, the International Finance Corporation ("IFC") acquired a 15% stake, rendering the IFC an active shareholder. Doosan Enerbility is the contracted Engineering, Procurement and Construction (EPC) party for which the affected workers referred to in the Complaints were employed. The Panel confirms that both FMO and Proparco maintain an active financial relationship with the Borrower, in the amount of an FMO term loan facility of up to USD 15.38 million and EUR 9.9 million from Proparco.[2] The funding package from FMO and Proparco together make part of the approximately USD 453 million debt package arranged by the IFC.[3]

The complainant is likely to be affected by the adverse impact

The information before the Panel indicates that the Complainants include direct family members of missing workers and duly authorised representatives of persons connected to missing workers affected by the alleged project impacts, which may fall within the scope of IFC Performance Standards 1, 2, and 4. Several of the Complainants state to be Indigenous Persons recognized under Performance Standard 7. The Panel therefore considers that all of the Complainants are, or are likely to be, affected by the adverse impacts alleged in the consolidated Complaint.

**Eligibility Decision**

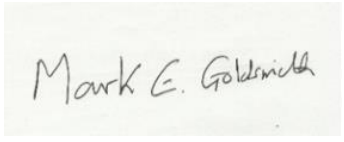
After careful review, the Panel has determined that the issues raised in the consolidated Complaint meet the eligibility criteria set out above. The Panel therefore deems ICM Complaints 26-027, 26-028, 26-029 and 26-030 eligible and will handle them together as one consolidated Complaint concerning the Upper Trishuli 1 Project.

The Complaint will now proceed to the Preliminary Review phase, in which the Panel will develop a clear understanding of the issues raised and determine the next appropriate steps. As per Article 6.25 of the ICM Policy, the ICM will remain in close contact with other IAMs involved to coordinate its efforts wherever possible, avoiding duplication and an unnecessary burden on the Complainants.[4]

Yours sincerely,







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[2] https://www.proparco.fr/en/projects/proparco-ifc-and-other-partners-are-financing-large-scale-hydropower-plant-nepal
[3] https://www.fmo.nl/project-detail/55588
[4] https://fmo.procurios.cloud/l/en/library/download/urn:uuid:1c345863-472b-4c8c-8603-e738d6cbdb23/2026_03_01_final_icm_policy.pdf