



**Independent
Accountability
Mechanism**

U.S. International Development Finance Corporation

**IAM Assessment Report
regarding the
Ceyhan Propane De-Hydrogenation and
Polypropylene (PDH-PP) Plant Project
Adana Province, Türkiye**

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THE INDEPENDENT ACCOUNTABILITY MECHANISM (IAM)

The IAM — previously the Office of Accountability (OOA) — is an independent office within the U.S. International Development Finance Corporation (DFC) that addresses complaints and concerns about environmental and social issues on DFC-supported projects. The office provides project-affected communities, project workers, and project sponsors an opportunity to have grievances independently reviewed and addressed. The IAM reports directly to DFC’s Board of Directors. For additional information, [visit the Independent Accountability Mechanism website.](#)

PURPOSE OF AN IAM ASSESSEMENT

When a request is deemed eligible for further investigation, the IAM conducts an assessment to better understand the issues, engage with key stakeholders, explain the IAM’s role and request handling process, and help the parties determine an appropriate process for resolving the concerns. An assessment does not involve a judgement on the merits of the request. Instead, it seeks to understand the background, key issues, dynamics, and potential solutions to a conflict— and to empower parties to make informed decisions about how to manage or resolve the issues.

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ACRONYMS

DFC	Development Finance Corporation
E&S	Environmental & Social
ESG	Environmental and Social Governance
ESMS	Environmental and Social Management System
IAM	Independent Accountability Mechanism of the DFC
IESC	International Environmental and Social Consultant
IFC	International Finance Corporation
LRP	Livelihood Restoration Plan
PS	Performance Standards
PDH-PP	Ceyhan Propane De-Hydrogenation and Polypropylene Plant
RAP	Resettlement Action Plan
SEP	Stakeholder Engagement Plan

1. SUMMARY

Between August and December 2025, 13 individuals submitted eligible requests to the IAM alleging adverse impacts from the Ceyhan Propane De-Hydrogenation and Polypropylene (PDH-PP) Plant (“the project”)—which the DFC Board approved for financing on September 7, 2023. A 14th eligible request was submitted in January 2026. Rather than managing each request on an individual basis, IAM is treating them as a single case involving multiple issues relating to the same DFC project.

According to DFC’s public information summary, the Ceyhan PDH-PP ‘Category A’ project is a greenfield development of a major manufacturing complex within the Ceyhan Petrochemical Industrial Region in the Ceyhan district of Adana Province in southern Türkiye. The project is expected to bolster economic development and job creation in the region, noting also its potential to cause significant and irreversible impacts that must be mitigated.

Requesters’ allegations involve a range of adverse impacts to livelihoods and personal property, and failure by the developer to fulfill compensation commitments or requirements in line with IFC Performance Standard (PS) 5, which relates to the project’s Resettlement Action Plan (RAP) and Livelihood Restoration Plan (LRP). Concerns also include company commitments related to local employment and use of local services, deterioration of water and air quality, and fears that the PDH-PP project and other industrial development will soon render the region unsafe for human habitation.

In January 2026, an IAM team traveled to Türkiye to visit the project site and meet with the requesters and with staff and senior managers of the developer, Rönesans Holdings (Rönesans)¹.

On the final day of the site visit, the IAM facilitated a joint meeting between villagers and company representatives. An outcome of that meeting was agreement by the parties to pursue a problem-solving process facilitated by the IAM. Both Rönesans and complainants invited the IAM team to return and continue the mediation process.

The 14th complaint filed on January 30 is still being assessed. That requester also has indicated a willingness to address the issues through a problem-solving process.

Based on the agreement by the parties to participate in an IAM-supported mediated process, the case is being transferred to the IAM’s problems-solving function.

¹ <https://ronesans.com/en/news/a-2bn-investment-turkey-s-new-path-to-industrial-self-sufficiency>

2. THE PROJECT

According to the DFC's [Project Information Summary](#), the project involves the development of a greenfield polypropylene production facility with a nameplate capacity of 472,500 MT p.a. in Province of Adana, Republic of Türkiye. DFC's support involves a loan of up to \$550 million for up to 15 years as part of a total funding package of approximately \$1.7 billion. The borrower is Ceyhan Polipropilen Üretim Anonim Şirketi. The key developer is Rönesans Holding (Rönesans)².

The DFC Board approved the project in November 2023. It was screened by DFC as 'Category A' because of its potential to cause significant and irreversible environmental and social impacts. These include excessive greenhouse gas emissions; impacts to local infrastructure; potential for accidental releases of volatile organic compounds, including propane; a range of impacts and risks associated with new construction and civil works; marine impacts from dredging during jetty construction and from disposal of dredged materials; and a range of social impacts related to cultural heritage, physical and economic displacement and land and asset expropriation associated with the company and the broader Ceyhan industrial region.

DFC's environmental and social due diligence indicated that the project impacts must be managed in accordance with the International Finance Corporation's (IFC) (2012) Performance Standards.

3. THE REQUESTS

The individual requesters from Incirli Village in the Kurtpinar neighborhood of Adana allege a range of impacts stemming from the Ceyhan PDH-PP project. As the closest settlement to the project boundaries, households and landowners in this area are identified in the project's RAP and LRP as those at highest risk of physical and/or economic displacement.

The requests center broadly around the company's compliance with its RAP and LRP commitments, including compensation for damaged or destroyed buildings and expropriated and adversely impacted lands and assets. Some argue the project has failed to provide promised livelihood restoration support, while others whose livelihoods are no longer viable say the project has yet to compensate for their economic displacement. The requesters also question how the company determines asset ownership and villagers' rights to affected lands, arguing that while some households and landowners have received adequate compensation for their property, others have received only partial compensation or none at all.

The requesters are seeking, among other things, compensation for lost livelihoods and assets, livelihood restoration support, repairs to buildings they believe were damaged because of blasting and construction, employment opportunities and priority hiring within the company, and more direct communication with the project about near- and longer-term impacts of construction and operations.

² <https://ronesans.com/en/news/a-2bn-investment-turkey-s-new-path-to-industrial-self-sufficiency>

4. ASSESSMENT METHODOLOGY

IAM assessments consist of the following steps:

- Review of DFC project-related files.
- Meet with requesters, DFC staff and clients, government officials (if or when relevant), and other stakeholders who may be party to the request.
- Visit project the site to engage directly with the parties, gain a clearer understanding of the issues and parties’ perspectives, provide detailed information on the IAM request-handling process and options for resolution, convene meetings if requested, etc.
- Consider the relevance of any project-related judicial or non-judicial proceedings.

Following eligibility determination of the requests received in August and September 2025, the IAM initiated remote discussions to better understand the issues and perspectives of the requesters, the project team, and the DFC—and to discuss the parties’ options for resolution. The IAM also met remotely with representatives of DFC’s Independent Environmental and Social Consultant (IESC) for the project, who informed the IAM of an upcoming Q4 monitoring trip to Ceyhan in early December 2025. Encouraged by the IAM, the IESC team decided to meet in person at that time with representatives of the requesters to hear their concerns directly.

Due to the many requests that were submitted over a period of months, the IAM opted to bundle them into a single case involving multiple issues. To manage the assessment most efficiently, the IAM asked the requesters to select representatives who could speak on behalf of other requesters and villagers who share the same concerns.

The requesters did so by selecting four representatives of 1) fishing interests, 2) beekeepers, 3) livestock and grazing interests, and 4) olive tree (and other crop) producers. These representatives and other villagers also identified additional topics for discussion, including impacts of project blasting, local hiring and services, and environmental quality concerns.

Following the remote meetings and coordination with the parties, the IAM team traveled to the project site in late January 2026. The agenda was designed to provide ample time for detailed discussions with each of the parties:

Jan. 25	<ul style="list-style-type: none">▪ Morning meeting with representatives of the requesters.▪ Afternoon meeting with company staff and senior management.
Jan. 26	<ul style="list-style-type: none">▪ Full day meeting in Incirli Village, hosted by representatives of the requesters and attended by 150+ residents of Kurtpinar neighborhood.
Jan. 27	<ul style="list-style-type: none">▪ Morning meeting with representatives of the requesters.▪ Afternoon meeting with company staff and senior management.
Jan. 28	<ul style="list-style-type: none">▪ Half-day meeting attended by company staff and senior managers and representatives of the requesters.

5. SUMMARY OF THE ASSESSMENT

5.1 Requesters' Perspectives

The requesters who submitted formal grievances to the IAM, as well as many others who attended a day-long meeting with the IAM in Incirli Village, say the company has failed to comply with a range of RAP and LRP commitments and obligations. These include compensation payments for expropriated lands and assets, lost wages and livelihoods, and damaged buildings; livelihood restoration support; and promised job opportunities with the project.

Some say the project has not honored agreements related to villagers' purchases of vans for transportation services that would largely cater to project workers. Others allege the project is tapping people's water supplies for its commercial needs and failing to properly treat or dispose of wastewater. Many villagers expressed frustration over the project's community relations and grievance-handling procedures, and a lack of systematic engagement and information dissemination about the project and/or individual concerns.

Following is a summary of the perspectives on the four key livelihoods as identified in the requests and in-person assessment discussions:

- **Fishermen** argue that the project, which involves an expansion into the port area and a jetty, has restricted access to coastal areas, failed to provide safe or adequate mooring and shelters, and offered unfair, conditional compensation that undermines livelihoods rather than restoring them in accordance with IFC standards.
- **Beekeepers** argue that forced relocation of hives and extensive construction activities have destroyed forage areas, resulted in substantial losses of bees and hives, and associated livelihoods, and that they have received no effective compensation despite project requirements and years of promises.
- **Livestock owners** argue that severance impacts (caused by fencing or other structures) and loss of grazing land has resulted in an expensive, closed-feeding system; caused a deterioration in the health of their animals, high veterinary fees, and economic collapse; and that support proposed by the company is inadequate and predicated on unfair and punitive disclaimers many refuse to sign.
- **Farmers and growers**—particularly olive tree growers—argue that long-standing village lands and olive groves were damaged, relocated or expropriated, in some cases without prior notification, resulting lost assets and income. Those who have been offered compensation believe it is far below fair value. Others say they have yet to be compensated, even though others in similar circumstances have been paid.

In considering their options for resolving the range of concerns and grievances, requesters representing the broader group of requesters and similarly affected villagers stated a preference for direct engagement and problem-solving with the project, facilitated by the IAM, rather than pursuing an IAM compliance process.

5.2 Rönesans Perspective

Rönesans' project team is well familiar with the range of concerns raised by the requesters and other villagers, having met with many of them prior to IAM's involvement and logged the same or similar complaints in its own grievance register. During IAM's remote discussions at the outset of this assessment, and during in-person discussions at the project site, the project team confirmed its willingness to engage in an IAM problem-solving process to address the issues.

During the site visit, which was attended by Rönesans' senior managers as well as E&S management and staff, the project team presented an overview of its Stakeholder Engagement Plan (SEP) and other components of its community engagement and grievance-handling activities. Their overview of key grievances that villagers have raised directly with the company largely mirrored the IAM requests. In its presentation and in subsequent discussions with the IAM, Rönesans' project team described a range of E&S and representation complexities associated with this large-scale development and some of its challenges related to the grievances and to the RAP and LRP:

- Other projects unrelated to the DFC-supported PDH-PP plant.
- The Turkish government's previous expropriations and 2007 designation of the region as a global petrochemical hub.
- Pending expropriation valuations or court cases.
- Limited clarity, documentation, or evidence regarding titles / land ownership of some of the expropriated properties requiring compensation.
- High expectations from villagers for employment and monetary benefits during construction, and for long-term benefits during operation phase.

Despite these challenges, the project team acknowledges that improvements are needed to strengthen community engagement and capacity for responding adequately to grievances; improve its stakeholder engagement and social investment and action plans; comply with relevant IFC PS requirements—including compensation payouts and livelihood restoration commitments; resolve land ownership and titling issues; and improve communication and information disclosure to local communities.

The Rönesans team highlighted important progress made toward addressing the issues, including during the weeks preceding the IAM's visit. These include cash payment as feed support, veterinary services, use of transportation cooperatives in construction, and replacing punitive contracts with simple receipts for its distribution. There is general agreement among Rönesans' senior managers and E&S staff that the recent appointment of a new ESG Director, and a problem-solving process supported by the IAM, represents an opportunity to shift current conflict dynamics from adversarial to collaborative, and to improve how grievances and impacts are managed in a way that supports long-term stability for communities and the project.

5.3 DFC Perspective

DFC Management's detailed respective provided to the IAM is reproduced in full in **Annex 1**. It notes that it has reviewed Rönesans' management of the issues associated with the IAM requests, both through due diligence and monitoring activities, including:

- Review of project documents to assure the adequacy of their Environmental and Social Management System (ESMS) and its implementation,
- Regular engagement with the project on E&S topics, and
- Development and implementation of a structured monitoring plan that integrates and considers the risks identified in requests and the project’s management of them.

DFC concludes in its summary to the IAM that, to date, documentation provided by the project to DFC attests to active engagement by the company in processes toward resolving the claims associated with the IAM, and that processes and activities that are integral to full resolution by government actors are known to be underway. DFC states that these government processes and activities are subject to the purview of neither the project nor DFC. DFC is committed to continuing to fulfill its role in monitoring the E&S risks of the project’s financed activities. It has also sought to engage appropriately, both with respect to scope and timing, as it has since the project screening was initiated, allowing the project to address the issues raised by the requesters through the pProproject’s grievance mechanism.

6. ASSESSMENT RESULTS

Both parties (the requesters and Rönesans) agreed to engage in a series of facilitated ‘roundtable’ discussions aimed at resolving the following key concerns raised by the villagers about impacts of the project on people’s livelihoods and personal property:

- | | |
|---------------------------------|--|
| 1) Fishing | 5) Employment |
| 2) Beekeeping | 6) Transportation services / van purchases |
| 3) Livestock / animal husbandry | 7) Damage to homes and buildings |
| 4) Olive trees | 8) Water / Wastewater |

As discussed and agreed with the parties, the goal of the structured roundtable process is to amicably resolve ongoing grievances related to the Ceyhan PDH-PP project impacts, while also fostering trust between affected communities and the project representatives.

The parties agreed that a Turkish-speaking mediator, supported by the IAM, should be retained to facilitate the roundtable discussions within a specified timeframe (yet to be agreed) and to monitor implementation of any agreements reached. The IAM subsequently contracted a professional mediator, who has held initial conversations with representatives of both the company and the requesters and has prepared an ‘Interim Agreement to Mediate’ for the parties’ review and signature.

ANNEX 1: Detailed DFC Perspective

The issues identified in this IAM assessment report, associated resolution processes, and activities underway are complex.

In September 2025, DFC was notified of the requester's submission to the IAM regarding:

- Negative impacts to livelihood activities, including agriculture, animal husbandry (cattle), beekeeping, and fishing, without receiving sufficient support
- Lack of compensation for olive trees located within the project fence line
- Demolition of a barn without notice and consent
- Blasting causing damage to residences

When DFC informed the developer Rönesans Holding (Rönesans) and the Independent Environmental and Social Consultant ("IESC") of these issues, neither party was surprised by the contents of the letters as the Project was already addressing and managing the issues raised through different aspects of the Project's Environmental and Social Management System ("ESMS").

DFC has conducted review and monitoring of Rönesans management of these issues through both due diligence and monitoring activities including:

- review of project documents to assure the adequacy of their ESMS and its implementation,
- regular engagement with Project on environment and social topics, and
- the development and implementation of a structured monitoring plan which integrates and considers the risks identified in these claims and the Project's management of them.

Project Overview

The Project is located within the Ceyhan Petrochemical Industrial Region ("CPIR"), which is a specialized industry zone. Eminent domain procedures were carried out by the Turkish Ministry of Industry and Technology ("MoIT") in accordance with procedures and principles specified by Turkish legislation. The eminent domain costs were covered by the MoIT. The eminent domain process started before and was largely completed prior to the involvement of Rönesans (the eminent domain process was initiated in 2010 and was largely completed in 2018, whereas Ronesans gained the title in 2019).

The Project Area includes 22 parcels with a total area of 614,485 m². Of these parcels, 13 parcels were previously privately owned (5 of them owned by companies, 2 by multiple owners), 8 parcels were state owned, and one parcel belonged to Kurtpinari Municipality. This land was primarily used as grazing land for local cattle herders.

The Project commissioned a full environment and social impact assessment, which identify potential impacts of the project, including those related to land acquisition and blasting. As a result of the impact assessment, the Project also commissioned a Land Acquisition Gap Assessment (December 2022) and Blast Impact Assessment (January 2025) and developed a Stakeholder Engagement Plan and Community Grievance Mechanism.

The DFC Finance Agreement required the Project to implement an Environmental and Social Action Plan, which included implementing IFC Performance Standard aligned Stakeholder Engagement Plan to include a Community Grievance Mechanism, Noise and Vibration

Management Plan, and Livelihood Restoration Plan. Additionally, the project lenders (“Lenders”) have contracted an Independent Environmental and Social Consultant (IESC) to support Lenders in ensuring the Project complies with environmental and social requirements. This includes quarterly IESC monitoring visits.

Stakeholder Engagement

The Project is implementing the Stakeholder Engagement Plan as required by the DFC Financing Agreement. Lenders’ IESC reports that the Project Community Liaison Officer (CLO) regularly engages with community stakeholders. The CLO is also responsible for the Project’s Community Grievance Mechanism. The Stakeholder Engagement Plan highlights that grievances may be filed via a number of channels, designed to achieve broad accessibility. These include letters or e-mails to the addresses provided; calls to the CLO phone number; grievance boxes; visiting the Project site by using the Grievance Form; and in person by contacting the Project CLO. The Project provides grievance logs to lenders on a quarterly basis as testament to the Stakeholder Engagement Plan’s implementation. The first grievance was documented in January 2025. The grievance log reflects an interactive approach by the Project with community members in order to address raised issues.

Land Acquisition

The Project developed its initial Resettlement Action Plan/Livelihood Restoration Plan (RAP/LRP) in September 2023, which addresses the performance gaps that were identified in the Land Acquisition Gap Analysis. After review and finalization, the Project started socializing the RAP/LRP with project affected stakeholders in the second half of 2024. The Project is currently focusing on implementing livelihood restoration, which addresses the impacts to parties whose economic activities have been impacted by the project. The livelihood restoration activities address impacts to landowners, land users, fishers, and beneficiaries of pasturelands. After resolving physical relocation of nearby residents in early 2025, the CLO initiated formal engagements with herdsman and fisherman in Q2 2025. Additionally, the Project has hired a livelihood consultant to assist in livelihood restoration activities.

Due to the loss in grazing area, the Project has provided herdsman with feed support, the result of engagement with the relevant stakeholders. The Project has identified 33 herders who are eligible for support. The Project is working with these herders to verify their livestock through Ceyhan District Directorate of Agriculture and Forestry, and once verified, providing feedstock support. Additionally, the Project is searching for an alternative pasture area, which is ongoing. During this process, the Project will continue to provide in-kind feed support to livestock owners.

The Project has engaged with 22 area fishermen, of whom only 6 are registered fisherman. The Project reports that most of these individuals do not report fishing as their primary occupation. The Project has investigated building a shelter for the fisherman, but relief requires government action relating to government zoning and impact assessment requirements outside the control of the Project. The Project is continuing engagement with the fisherman to find actionable solutions.

The Project’s Grievance Log also captures disputes from landowners and users regarding compensation issues. The Log includes complaints related to olive tree compensation, impacts to beekeeping, and destruction of property. The Log outlines the Project’s response, which includes considerations of ongoing legal cases related to compensation, livelihood activities that started after the commencement of the Project, and documentation of rightful

use of property. For instance, the government is responsible for compensation for loss of olive trees. Once the requesters' compensation requests with the government are adjudicated, the Project will ensure that adequate compensation has been paid to eligible requesters.

Regarding the specific allegation of the destruction of a barn, the Project informed that the relevant barn was investigated during the Resettlement Action Plan ("RAP") and Livelihood Restoration Plan ("LRP") studies performed in 2023, and it was identified that the concerned barn was not under use (for any type of livelihood activity nor storage purpose). This was confirmed by the village mukhtar and nearby residents. Like all assets within the area that were evaluated within the scope of RAP and LRP, the barn was subject to the eminent domain process conducted by the government before the Project took control. Regardless, during the consultation meeting held on September 1st, 2025, the former legal owner of the barn was engaged and informed that he may gather the scrap iron after the barn's demolition.

The individual who has filed the grievance regarding the demolition of the barn is not the former owner of the relevant land. This individual was interviewed within the scope of the LRP Addendum in April 2025 on the grounds that he possessed livestock and experienced restricted access to pastureland. During this interview, the individual did not identify himself as user of the barn.

Blasting

The Project's impact assessment identified blasting due to construction activities as a potential impact for surrounding communities. In January 2025, the Project commissioned Istanbul University to undertake a study to identify the baseline area in which structures would be impacted due to ground vibrations. Grievances have been received from property owners both within and outside the baseline area of the vibration study. When a grievance of this kind is received, the CLO visits the house of the affected person to take measurements during the next blasting activity. For property owners within the baseline area, damage will be compensated at the conclusion of blasting activities based upon the baseline condition study. For property owners outside the baseline area, there has been no direct correlation established between the blasting impact and the reported damage. The report has been made available to the requesters.

Conclusion

To date, documentation provided by the Project to DFC for review attest to the active and engagement in the processes of resolving these claims. Processes and activities that are integral to full resolution, by government actors, are known to be underway. These government processes and activities are subject to the purview of neither the Project nor DFC. DFC is committed to continuing to fulfill its role in monitoring the E&S risks of the Project's financed activities. DFC has also sought to engage appropriately, both with respect to scope and timing, as it has been since the date project screening was initiated, allowing the Project to address the issues raised by the Requesters through the Project's grievance mechanism.