Independent Accountability Mechanism

U.S. International Development Finance Corporation

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

Conclusion of the IAM Problem-Solving (Mediation) Process

July 2026

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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 CONCLUSION REPORT

A Conclusion Report records the outcome of an IAM problem-solving process and the basis on which the IAM closes a case. Following an assessment in which the parties agree to pursue a facilitated resolution, the IAM's problem-solving function supports the parties in reaching their own agreements through dialogue. This report summarizes the process conducted, the results reached across the issues raised in the requests, and the status of the case at closure. It does not involve a judgement on the merits of the requests; the agreements described were reached voluntarily by the parties themselves.

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## ACRONYMS

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| DFC | Development Finance Corporation |
| IAM | Independent Accountability Mechanism of the DFC |
| IFC | International Finance Corporation |
| LRP | Livelihood Restoration Plan |
| PAP | Project-Affected Person |
| PS | Performance Standards |
| PDH-PP | Ceyhan Propane De-Hydrogenation and Polypropylene Plant |
| RAP | Resettlement Action Plan |
| SEP | Stakeholder Engagement Plan |
| SSF | Small Support Fund |

## 1. SUMMARY

This report concludes the IAM problem-solving process for the Ceyhan Propane De-Hydrogenation and Polypropylene (PDH-PP) Plant Project in İncirli Village, Kurtpınar neighborhood, Adana Province, Türkiye. The process followed the IAM Assessment Report of 25 February 2026, in which the requesters and the project developer, Rönesans Holding (Rönesans), through the borrower Ceyhan Polipropilen Üretim A.Ş. (the Project Company), agreed to pursue a facilitated resolution rather than an IAM compliance review.

Following the assessment, the IAM contracted a Turkish-speaking professional mediator, Aşiyan Süleymanoğlu, to facilitate a structured roundtable process and to support the parties in an effort to reach and document agreements. Two rounds of roundtable negotiations were convened in İncirli — the first from 8–10 April 2026 and the second from 12–14 May 2026 — supported by extensive pre- and post-stakeholder engagement conducted on site and remotely. The process concluded with a final field visit from 22–24 June 2026, at which final agreements were verified and remaining items addressed.

Through this IAM process, the parties reached substantive agreement across all the livelihood and property “clusters” raised in the requests. With the substantive matters before the Mediator resolved, the IAM considers the problem-solving process concluded and the IAM request closed, subject to routine monitoring of implementation arrangements (described in Sections 5 and 6).

## 2. BACKGROUND

Between August and December 2025, 13 individuals submitted eligible requests to the IAM alleging adverse impacts from the project, with a 14$^{th}$ eligible request submitted in January 2026. The IAM treated the requests as a single case involving multiple issues relating to the same DFC-supported project. The requests centered on the Project Company's compliance with its Resettlement Action Plan (RAP) and Livelihood Restoration Plan (LRP) commitments — including compensation for expropriated or damaged lands, assets and buildings, and livelihood restoration support — together with concerns regarding local employment, transportation services, blasting-related damage, and water and environmental quality.

To manage the assessment efficiently, the requesters selected representatives for four principal livelihood interests — fishing, beekeeping, livestock and grazing, and olive-tree (and other crop) production — and identified additional topics including blasting, local hiring and services, and environmental quality. During the January 2026 site visit, the parties agreed to pursue an IAM-facilitated problem-solving process, and on that basis the case was transferred to the IAM's problem-solving function.

## 3. THE PROBLEM-SOLVING PROCESS

The IAM-appointed mediator conducted initial conversations with representatives of both parties and prepared an Interim Agreement to Mediate for their review and signature. The facilitated process was then structured around two rounds of roundtable negotiations in İncirli, each preceded by preparation and offer-parameter discussions and followed by intensive engagement to convert agreed terms into written settlement instruments:

- **First Roundtable (8–10 April 2026).** Structured multi-stakeholder sessions across the complaint clusters, at which framework-level agreement was reached on the livestock, blasting and employment clusters, and initial settlements were reached with beekeepers to whom offers were made by the Project Company. Residual matters in the fisheries and olive-grower clusters were carried forward for further engagement.
- **Second Roundtable (12–14 May 2026).** Further structured sessions at which the olive-grower cluster was settled on terms consistent with the established precedent; the fisheries offers were revised and accepted by the amateur fishers; and the substantive terms in the livestock, blasting and employment clusters were confirmed.
- **Final field visit (22–24 June 2026).** A concluding visit to İncirli / Adana at which the mediator verified on site the closures and followed up on the residual items. The remaining professional fishers's issues were confirmed as settled and the common closure undertaking finalized; the agreed substantive terms of the livestock Settlement Agreement were confirmed with the parties together with an accompanying independent expert report; and the status of the olive-grower documentation, employment follow-up and blasting goodwill-repair arrangements was reviewed. This visit established that the substantive matters before the Mediator had been resolved across the clusters.
- **Pre- and post-roundtable engagement.** Throughout the IAM process, the mediator maintained daily coordination with the İncirli Village Representatives, the Project Sustainability Manager, the Project Company's legal counsel and the IAM/DFC team, including extended-hours availability across time zones, and undertook field visits to İncirli / Adana — culminating in the concluding visit described below — to verify closures and follow up on outstanding items.

The mediator prepared and circulated Status Update Memoranda to the DFC IAM team (dated 28 April 2026 and 18 May 2026) reporting progress across the clusters, and supported the drafting of settlement instruments, including individual Letters of Undertaking and a bilateral Settlement Agreement (Protocol) for the livestock cluster with an accompanying independent expert report.

## 4. RESULTS BY ISSUE

The agreements reached across the issues raised in the requests are summarized below. Consistent with IAM policy and the confidentiality preferences of the parties, this public report does not reproduce individual settlement amounts. Instead, it records the nature of the resolutions reached.

### 4.1 Fishing

Revised closure offers reflecting both amateur and professional fisher profiles were tabled and accepted. The amateur fishers settled during the second roundtable, and the professional fishers subsequently settled following post-roundtable engagement, with closure recorded through a common Letter of Undertaking. Two amateur fishers requested a modification to the text of the undertaking; as the substantive terms had been agreed and the remaining fishers had signed the common text, that text was retained without change. The full cluster is resolved.

### 4.2 Beekeeping

All beekeepers to whom an offer was made at the first Roundtable accepted and settled the Project Company's offer, with terms recorded in individual Letters of Undertaking. In one further case, the

requesters were unable to establish, on the documentation submitted and following independent-expert review, a connection between the material provided and the alleged loss; accordingly no offer was made. No beekeeping matters remain open.

**4.3 Livestock / Animal Husbandry**

The livestock cluster was resolved on the substantive terms recorded in a bilateral Settlement Agreement (Protocol), the design of which was materially shaped by an independent expert assessment — the Livestock Supports Assessment and Transformation Strategy — reviewed with the parties during the process. The expert assessment reframed livestock support away from the original instrument (open-ended, continuous feed support introduced as a temporary livelihood-restoration measure) toward a cause-focused, conditional and deliberately phased transition. This reframing was based on the finding that continuing the original model unchanged risked entrenching dependency and perpetuating practices carrying environmental, animal-welfare and public-health compliance risks under IFC Performance Standards 4 and 5.

The principal changes introduced following the expert assessment, and reflected in the agreed terms, include:

- **A phased design** — 2026 treated as a transition and preparation year and 2027 as a conditional transformation year, rather than continuous compensation.
- **A Small Support Fund (SSF)** — replacing direct cash payments and open-ended feed aid with limited, in-kind and traceable support through two packages: safe dairy production (SSF 1) and barn hygiene, animal welfare and water-system improvements (SSF 2), with company contribution capped for standard households and provided in full for vulnerable households, and support released only against documented household preparatory steps.
- **A defined feed-support reduction curve** — feed support continued on a defined basis but placed on an equally applied, tapering path across 2027 (weighted to spring rather than winter), so that it ceases to be an automatic entitlement for non-vulnerable households; bulk roughage excluded as unsuited to actual on-the-ground practice.
- **A shift in veterinary support** — moving from a door-to-door treatment model to regular herd-health monitoring of all households (monthly, then bimonthly), after which preventive care links to the routine programmes of the Provincial/District Directorate of Agriculture and Forestry.
- **A move toward registered, traceable production** — from 2027, feed-support entitlement calculated on the basis of Farmer Registration System (ÇKS) and animal-registration (TÜRKVET) records, while assisting vulnerable households directly through the registration process and not interrupting their support on the basis of registration status.
- **A repositioning of existing instruments** — verifying actual use of previously distributed feed-mixing equipment rather than expanding distribution, protecting producer income from dairy and cheese production while moving it onto a safer and more traceable footing, and retaining grazing-land improvement as a complementary measure consistent with the project's No-Net-Loss obligation under PS6 rather than as the main remedy.

The overarching effect of these changes, as recommended by the expert assessment, is to move the Project Company from the role of continuous support provider to that of facilitator of a transition — tying support to measurable improvement in food safety, animal welfare and environmental

compliance, with dedicated protection for vulnerable households. Livestock keepers had also received financial assistance in the preceding period in respect of the corresponding entitlement. The substantive matters are resolved; completion of signature is a procedural step between the parties.

### 4.4 Olive Trees and Other Crops

All olive-grower claims within the scope of the process were settled on terms consistent with the established per-tree precedent, addressing the horizontal-equity concern identified during the assessment and early roundtable phase, and the corresponding contracts were signed. One claimant's settlement awaits only the submission of supporting documentation concerning ownership; the substantive terms are agreed. This cluster is resolved.

### 4.5 Employment

The parties agreed to the substantive terms concerning local employment. The Project Company established a dedicated recruitment channel and publicized it through multiple local business channels and community postings, and applications received through that channel are to be reviewed and referred to relevant unit managers and subcontractors in line with the Project Company's local-hiring commitments.

### 4.6 Blasting / Damage to Homes and Buildings

A stakeholder information session was held at which the Project Company explained its blasting methodology and monitoring measures, and confirmed that blasting activities had been completed. Pre- and post-blasting photographic records were compared for households within the area of influence, and, where differences were identified, the Project Company offered localized goodwill repairs. Some households accepted, with certain works to be scheduled following peoples' seasonal return from the highlands. Others declined or requested works beyond the scope of the goodwill measure. The Project Company committed to continue monitoring and follow-up on the process.

### 4.7 Transportation Services and Water / Wastewater

The transportation-services and water/wastewater concerns raised during the assessment were addressed through the parties' direct engagement and the Project Company's ongoing environmental and social management and grievance processes, including measures noted during the assessment (such as the use of transportation cooperatives). These matters did not require separate settlement instruments through the roundtable process and are managed through the Project's continuing stakeholder engagement and monitoring arrangements.

## 5. OUTCOMES AND CASE STATUS

The problem-solving process achieved substantive resolution across the livelihood and property clusters raised in the requests. Settlements in the fishing, beekeeping and olive-grower clusters were recorded in signed instruments, subject to limited outstanding documentation in a single olive-grower case. The livestock cluster was resolved on agreed substantive terms recorded in a bilateral Settlement Agreement — reshaped, following the independent expert assessment, into a phased and conditional support model designed to reduce rather than entrench compliance risks — with signature remaining as a procedural step between the parties. The employment and blasting clusters

were resolved on agreed terms with implementation and follow-up continuing through the Project's own processes.

Beyond the specific settlements, the process supported a shift in the relationship between the community and the Project Company from an adversarial to a more collaborative footing, consistent with the objectives set out in the assessment. The mediator's substantive role concluded upon resolution of the matters before the IAM; any remaining signature formalities and the implementation of agreed measures are to be carried out directly by the parties.

## 6. CLOSURE

On the basis of the substantive resolution of all matters raised in the requests, the IAM considers the problem-solving process concluded and the case closed. Implementation of the agreements reached — including the phased livestock-support measures, goodwill repairs, and the finalization of remaining signatures and documentation — will proceed between the parties in the ordinary course.

Consistent with its mandate, the DFC will continue to fulfill its role in monitoring the environmental and social risks of the project's financed activities, and certain matters integral to full resolution that fall to government actors — including expropriation valuations and related proceedings — remain subject to those processes, outside the purview of the Project Company and DFC. The IAM will confirm implementation progress through its routine monitoring arrangements before final case archiving.

*Report prepared by the Independent Accountability Mechanism (IAM), U.S. International Development Finance Corporation, on the basis of the problem-solving process facilitated by the IAM-appointed mediator, Aşiyan Süleymanoğlu.*