

## COMPLAINT

To the Compliance Advisory Ombudsman  
International Finance Corporation  
Washington, DC, U.S.A.

Tirana, 13 March 2013

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**1. Complainant's name,** [REDACTED]

Prof. Sazan Guri, [REDACTED]  
[REDACTED] representing the town of Patos, Zharrëza  
and other Communes.

**2. Identity and Nature of the Project:** IFC has provided credit to Bankers Petroleum, which is a Canadian company doing business in Albania, and which has been granted concessions to exploit some oil fields in the central part of the country. More precisely, IFC's operational details are as follows: Project No. 27306, approved on May 9, 2009 in Oil and Gas Production in Patos-Marinëz, Albania. IFC has invested up to \$65 million together with the EBRD

**3. Serious Concerns Related to the IFC Project**

Throughout this lifespan of this Project serious incidents have been reported, directly affecting the lives and well beings of the residents in the entire Patos-Marinës area.

The concern is that the Company benefitting from the IFC/EBRD loan is applying questionable oil extraction techniques and potentially violating any environmental and social standard. This raises serious issues of the proper applicability of IFC's EHS Guidelines in general, and the Onshore Oil and Gas Development Standards in particular.

**4. Main incidents and accidents,** as reported not only in the press, include:

a. On August 28, 2011, Mr. Nikoll Mata, 60 years old of Marinëz, died on his way home because he was "accidentally trapped in the oil well".<sup>1</sup>

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<sup>1</sup> <http://www.balkanweb.com/shqipëri/2685/fier-gjendet-i-vdekur-ne-pusin-e-naftes-68848.html>

- b. Several incidents of cracks in the houses of residents have been frequently reported;
- c. Allegations of oil residue dumping in irrigation networks in the area;<sup>2</sup>
- d. Frequent “induced” earthquakes, especially at night;<sup>3</sup>
- e. Recent massive earth movements in the extent of hundreds of acres, including probably sinkholes, which threatening the lives of entire villages and neighborhoods, as it is the case, for example, with the village of Ngracie.<sup>4</sup>
- f. There have even been allegations of abortions caused by the oil-extraction activity, which should be investigated urgently.<sup>5</sup>

There has been a lively debate in the Albania press on these issues<sup>6</sup>, strong protests by the local population,<sup>7</sup>and a special committee has been convened to address the situation. Therefore, there is no question that the IFC and the Company have not been made aware of the above.

#### **IV. Desirable Outcome**

CAO Ombudsman is hereby urged to register the complaint and declare it eligible. It should undertake an urgent, independent, on-the-ground expert assessment/investigation into the current situation and its causes. Also, mediation services, which should consider giving the affected residents full compensation and revert the situation as it was before, should have priority in this matter. Since this matter has been going on for quite some time, and due to its seriousness, a compliance audit should also be undertaken by CAO.

Tirana, March 13<sup>th</sup>, 2013.

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<sup>2</sup> Fifty cracked houses have been reported in the Zharrës commune only. Java, 5 November 2012, at <http://www.energja.al/component/content/article/34-news/7341-zharres-marinze-ta-besh-gjumin-mbi-termet>

<sup>3</sup> Light earthquakes are reported on a nightly basis; stronger earthquakes occur every few days,Java, 5 November 2012, at <http://www.energja.al/component/content/article/34-news/7341-zharres-marinze-ta-besh-gjumin-mbi-termet>  
ABC News,<http://grid.al/read/news/155625500/1978392/fundoset-fshati-ngracie-ne-mallakaster>

<sup>5</sup> Statement my Nebi Baho to Java journalist, Java, 5 November 2012, at <http://www.energja.al/component/content/article/34-news/7341-zharres-marinze-ta-besh-gjumin-mbi-termet>

<sup>6</sup> See for example, Shekulli, 1 December 2012, <http://www.energja.al/component/content/article/34-news/7559-kerkimi-i-naftes-dhe-termetet-ne-marines>

<sup>7</sup> See for example <http://www.panorama.com.al/2012/06/21/shperthimet-e-naftes-lihen-ne-burg-2-protestues/>