Office of the Special Project Facilitator (OSPF) — Problem-Solving Function

UPDATES ON COMPLAINTS

The Office of the Special Project Facilitator (OSPF) received and assessed three complaints for problem-solving during Q2 2019. Complaints on Pakistan: Pehur High Level Canal Extension Project and Pakistan: Multitranche Financing Facility Power Transmission Enhancement Investment Program II – Tranche 3 were made eligible for OSPF problem-solving on 23 April 2019 and 20 June 2019, respectively. Complainants on both projects attempted to resolve issues with Central and West Asia Department (CWRD)/Pakistan Resident Mission (PRM) but were unable to reach mutually agreeable solutions. A complaint on Sri Lanka: Northern Province Sustainable Fisheries Development Project was deemed ineligible on 25 April 2019 because the Complainants had not yet attempted to resolve issues with South Asia Department (SARD)/Sri Lanka Resident Mission (SLRM).

OSPF fielded a mission to review a complaint on the Pakistan: Pehur High Level Canal Extension Project during 9-10 May 2019. Two independent subject matter experts, an irrigation engineer and an agronomist, assisted OSPF in assessing the issues on the proposed alignment of the project pressure pipe and on the cropping patterns, respectively. A Review and Assessment Report was prepared based on the findings of the mission and independent experts. The report confirms that the proposed alignment is appropriate, and the Complainants can maintain their agricultural income by changing crops and cropping patterns, even though they will lose about 20% of their land to the project. OSPF will provide facilitation for compensation and detailed negotiations if the Complainants request such support.

OSPF worked with CWRD to resolve an eligible complaint on the Georgia: Batumi Bypass Road Project related to compensation and valuation of property acquired for the project. Following an independent valuation of the property by CWRD consultants which confirmed the Complainants were underpaid for their properties, the executing agency agreed in June 2019 to pay the additional compensation. The Special Project Facilitator (SPF) met with the Complainants on 20 June 2019 following which a contract was signed between the Complainants and executing agency and additional compensation was paid. OSPF closed the case on 30 June 2019. A closing report will be circulated in July 2019.

ADB’s Accountability Mechanism (AM) provides a forum where people adversely affected by ADB-assisted projects can voice and seek solutions to their problems and report alleged noncompliance with ADB’s operational policies and procedures. It consists of two separate but complementary functions: problem-solving function and compliance review function. The AM’s objective is to be accountable to people for ADB-assisted projects as a last resort mechanism.
Office of the Special Project Facilitator (OSPF) — Problem-Solving Function

Thirty-nine new complaints were received and included in the ongoing dispute resolution process for the Mongolia: Ulaanbaatar Urban Services and Ger Areas Development Investment Program – Tranche 1 as the new complaints are similar to the first complaint. OSPF continues to work closely with the East Asia Department/Mongolia Resident Mission project team to support the Project Management Office in negotiating resolution of each individual complaint. Thus far, out of 148 complaints (109 for the 1st complaint and 39 for the 2nd complaint), a total of 102 (92 for the 1st complaint and 10 for the 2nd complaint) have been resolved. Negotiations with the remaining 46 Complainants are underway.

OTHER ACTIVE COMPLAINTS AT A GLANCE

<table>
<thead>
<tr>
<th>Complaint Details</th>
<th>Summary of the Complaint</th>
<th>Status</th>
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| PAKISTAN: Multitranche Financing Facility Power Transmission Enhancement Investment Program II - Tranche 3 | Complainants representing 120 farm families raised issues on the acquisition of land to build a 500kV grid station and allege that the grid station will displace 120 poor families, that there are available sites nearby that would result in fewer affected people, and that the Complainants were not adequately consulted in the site selection. | • Complainants had attempted to resolve issues with Central and West Asia Department/Pakistan Resident Mission but were not satisfied with the resolution.  
• A review and assessment mission to Lahore and Islamabad is scheduled from 8-11 July 2019 and will include dialogue with key stakeholders regarding steps to develop a mutually acceptable course of actions. |
| Approval Date: 28 June 2018  
Source of Funding/Amount  
♦ Grant 0578: High Level Technology Fund: $4 million  
♦ Loan 3677: ordinary capital resources (OCR) - $280 million  
Complaint received on 19 June 2019  
Status: Eligible (20 June 2019) | | |
| PAKISTAN: National Highway Network Development in Balochistan Project | Complainant (2 persons) raised concerns on land acquisition due to the project and claiming compensation. Both Government and Complainants claim ownership of road right-of-way. | • Court case is still pending with the Supreme Court. National Highway Authority established an escrow account for the purpose of compensation in the event the Supreme Court determines that it is required. |
| Approval Date: 27 June 2014  
Source of Funding/Amount  
♦ Loan 3134: OCR - $122.60 million  
♦ Grant 0451 [partial substitution of Asian Development Bank (ADB) OCR Loan], Department of International Development - $72.40 million  
Complaint received on 6 April 2018  
Status: Eligible (7 May 2018) | | |
| SRI LANKA: Northern Province Sustainable Fisheries Development Project | Complainants (5 persons) raised concerns on the safety and security of school children by the proposed extension of Point Pedro Fisheries Harbour in front of a school. | • South Asia Department/Sri Lanka Resident Mission project staff are working with the project authorities and Complainants to resolve the issues raised in the complaint. |
| Source of Funding/Amount  
♦ Proposed Loan: OCR - $172.70 million  
Complaint received on 4 April 2019  
Status: Ineligible (25 April 2019) | | |

Aerial view portion of the project area (screen grab from the drone video from Arnaud Heckmann, EARD/MNRM).
Office of the Special Project Facilitator (OSPF) — Problem-Solving Function

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<th>Status</th>
</tr>
</thead>
</table>
| GEORGIA: Adjaristsqali Hydropower Project  
- Approval Date: 19 May 2014  
- Source of Funding/Amount  
  ♦ Loan 3130: OCR - $75 million  
  ♦ Loan 8281: Canadian Climate Fund for the Private Sector - $15 million  
- Complaint received on 8 March 2018  
- Status: Eligible (12 March 2018) | Complainants (17 villagers) raised concerns relating to the damaging impacts of the project on the natural and social environment of the village as well as diminishing water supply. | • Mediation with parties, led by Project Complaint Mechanism of European Bank for Reconstruction and Development (EBRD) and Compliance Advisor/Ombudsman of International Finance Corporation are ongoing.  
• EBRD has accepted a request from a nongovernment organization for compliance review on the project. |
| SRI LANKA: Clean Energy and Network Efficiency Improvement Project  
- Approval Date: 18 September 2012  
- Source of Funding/Amount  
  ♦ Grant 0303, Clean Energy Fund under the Clean Energy Financing Partnership Facility - $1.50 million  
  ♦ Loan 2892: OCR - $100 million  
  ♦ Loan 2893: concessional OCR lending/Asian Development Fund - $30 million  
  ♦ Technical Assistance (TA) 8167: TA Special Fund - $900,000  
- Complaint received on 16 August 2017  
- Status: Eligible (13 September 2017) | Complainants (8 persons) raised issues on alignment of transmission line that differs from the approved path with no environmental and social studies conducted for the new alignment. | • Office of the Special Project Facilitator (OSPF) problem-solving process has been delayed due to legal cases (District, Appeal, and Supreme Courts). Supreme Court hearing has been postponed three times: December 2018, March 2019, and June 2019 at the request of the lawyer of Complainants.  
• ADB loan closed on 30 June 2019 without funding the disputed section of the transmission lines. Hence, OSPF will close the case. |

Source: [https://www.slideshare.net/joutlaw/accountability-at-work](https://www.slideshare.net/joutlaw/accountability-at-work)
Office of the Special Project Facilitator (OSPF) — Problem-Solving Function

OPERATIONAL SUPPORT AND ADVISORY SERVICES

Improving Project-Level Grievance Redress Mechanisms and Accountability

52nd ADB Annual Meeting, Nadi, Fiji, 3 May 2019

OSPF convened a seminar at the 52nd ADB Annual Meeting in Fiji to launch the 2018 Learning Report on Implementation of the Accountability Mechanism Policy. This is a triennial publication mandated in the Accountability Mechanism Policy and jointly published by OSPF, the Office of the Compliance Review Panel, Sustainable Development and Climate Change Department (SDCC), and Independent Evaluation Department.

Warren Evans, SPF, moderated the seminar. Dingding Tang, Chair of the Compliance Review Panel, presented the findings of the report, highlighting (i) the upward trend in the number of complaints to ADB’s Accountability Mechanism compared to 2012–2015, and (ii) the need to strengthen project-level grievance redress mechanisms to better manage and minimize complaints elevated to ADB and the Accountability Mechanism.

Amy Leung, Director General of the East Asia Department, summarized experiences and lessons from the operations perspective—reflecting particularly on an ongoing case in Mongolia. She concluded that a collaborative approach between ADB’s OSPF and operations departments is critically important for securing the support needed from executing agencies to effectively resolve disputes. Woochong Um, Director General of SDCC, noted the linkages of ADB’s Safeguard Policy Statement to ADB’s Accountability Mechanism, and measures to improve project-level complaint management, particularly through strengthened grievance redress mechanisms. He also pointed out that the current accountability mechanism structure appears to be working well.

Imrana Jalal, Chair of the Inspection Panel of the World Bank, shared experiences from the World Bank inspection cases and highlighted the emergence of gender-based violence as the source of complaints and inspections at the World Bank. Philip Rose, Director’s Advisor, opined from the perspective of the higher-level oversight of the ADB Board. He discussed risks and issues going forward, especially in light of the increased lending levels for complex, large-scale infrastructure under ADB’s Strategy 2030.

Some of the participants, particularly from nongovernment organizations, emphasized the need to keep the accountability mechanism strong and independent. They expressed some concern as to the upcoming review of the Safeguard Policy Statement and how that might impact on ADB’s Accountability Mechanism Policy.

From left: Philip Rose, Imrana Jalal, Warren Evans, Amy Leung, Woochong Um, and Dingding Tang.

Source: https://www.adb.org/annual-meeting/2019/events/grievance-redress
Office of the Special Project Facilitator (OSPF) — Problem-Solving Function

OPERATIONAL SUPPORT AND ADVISORY SERVICES

TA0598  
UPCOMING  
Activities

Capacity Building for Grievance Redress and Dispute Resolution During Project Implementation  

July-December 2019

Capacity Building Workshops to Government Partners

- **Thimpu, Bhutan**  
  16-18 July

- **Dhaka, Bangladesh**  
  21-23 July

- **Tashkent, Uzbekistan**  
  9-11 September

- **Bali, Indonesia**  
  4-6 November

- **Hanoi, Viet Nam**  
  4-6 December

- **Ho Chi Minh City, Viet Nam**  
  9-11 December

Grievance Redress Mechanism Analytical Work

- **Tbilisi, Georgia**  
  29 July – 3 August

- **Ulaanbaatar, Mongolia**  
  13-22 August
Office of the Compliance Review Panel (OCRP) — Compliance Review Function

ACTIVITIES OF THE COMPLIANCE REVIEW PANEL

ADB participates at the Annual meeting of the Independent Accountability Mechanisms Network of international financial institutions

Dingding Tang, Chair, CRP and concurrently Head, OCRP; Sushma Kotagiri, Senior Facilitation Specialist, OSPF; and CRP part-time member Ajay Deshpande attended the annual meeting of Independent Accountability Mechanisms (IAMs) Network of international financial institutions held at the African Development Bank Headquarters in Abidjan, Cote d’Ivoire from 25 to 28 June 2019. The Vice President of AfDB together with four Executive Directors of the Board delivered the statements respectively emphasizing the importance as well as the contributions of accountability mechanisms to the international financing institutions (IFIs). During the meeting, ADB representatives moderated and presented their experiences during the discussions on (i) challenges with implementing safeguard policies in countries affected by fragility, conflict, and violence and on (ii) the future of IAMs based on the recent policy reviews and creation of new mechanism structures.

World Bank representative Imrana Jalal, Chair of Inspection Panel, summarized its ongoing discussion with the Board on its toolkits and indicated that the Board has approved in October 2018 the following measures to: (i) formally recognize the Panel’s advisory role; (ii) have the Bank clarify procedures on Bank-Executed Trust Funds; (iii) formalize the Panel’s current practice of coordinating with others IAMs to process the joint complaints; and (iv) update procedures for sharing the Inspection Panel’s investigation report with requesters prior to the Board meeting for its consideration.

The final session was an open forum to interested civil society and nongovernment organizations (CSOs/NGOs) to discuss IAM-civil society collaboration. NGOs expressed concerns related to lack of awareness among affected people on source of project finance and in co-financed projects or financial intermediaries at the field level. Concerns also were related to (i) determination of eligibility and fate of the complainants which are deemed ineligible on procedural grounds, (ii) lack of complainants’ involvement in preparation and implementation of management action plans, and (iii) independence of the members working in various IAMs.

The IAM network annual meetings and the Secretariat are rotated based on offers of hosting by different members. The next annual meeting in 2020 will be hosted by the IAM of the Inter-American Development Bank (IDB), and the IFC Complaints Advisor Ombudsman (CAO) will take over the role of the Secretariat of IAM Network from July of 2019 to June of 2021.
Office of the Compliance Review Panel (OCRP) — Compliance Review Function

Outreach on the Compliance Review Function

Vientiane, Lao PDR, 24 and 25 April
Consistent with its aim of reaching out to project partners, OCRP conducted outreach sessions in Vientiane for i) ADB staff at LRM on 24 April and ii) for government and NGOs/CSOs on 25 April 2019. A total of 42 participants attended the sessions. The sessions informed the participants on the Accountability Mechanism and the step-by-step procedure in the compliance review process, clarified the purpose, scope, issues raised in complaints, and specific actions which the government, ADB staff and NGOs/CSOs can do to better engage with the CRP in a compliance review.

Nay Pyi Taw and Yangon, Myanmar, 4 and 6 June
OCRP conducted outreach sessions in Nay Pyi Taw and Yangon in Myanmar on 4 and 6 June, respectively. The outreach was tailored as a one-day for government representatives and a half day session for NGOs. A total of 40 participants from government executing and implementing agencies attended the session in Nay Pyi Taw while 10 NGOs working on human rights and peace efforts attended the session in Yangon. A few ADB staff and consultants also sat in the sessions.
Office of the Compliance Review Panel (OCR) — Compliance Review Function

Joint In Reach Activities in ADB HQ

**ADB participates at the Annual meeting of the Independent Accountability Mechanisms Network of international financial institutions**

**Environmental and Social Safeguards in ADB Operations (Introductory Course), 18 June**

With OSPF, M. Alam presented on the Accountability Mechanism during the Safeguards Introductory Course. The course is designed for staff involved in project processing, implementation, and evaluation to understand importance, scope, and requirements of ADB Safeguard Policy.

**Induction Program of new ADB staff, 28 June**

Together with OSPF, OCRP presented the two functions of the Accountability Mechanism at the Induction Program of new ADB staff. Around 50 new staff attended.

**ADB Supporting Preparation of Accountability Mechanism Framework for Financial Intermediaries**

OCRP is helping to develop an Accountability Mechanism Framework for financial intermediaries to manage environmental and social risks, as well as safeguards compliance and accountability.

To better design a framework and ensure that it will be workable for financial intermediaries from Asia and the Pacific, a 1.5-day regional workshop was held from 20-21 May. The event features about 250 participants, including from 30 state-owned banks and other financial intermediaries; 20 large public sector entities from the People’s Republic of China (PRC), which also provide funds for projects; and the independent accountability mechanism of international financial institutions such as the World Bank, International Finance Corporation, Asian Infrastructure Investment Bank (AIIB), New Development Bank (NDB), Inter-American Development Bank, African Development Bank, Green Climate Fund, and the United Nations Environment Programme (UNEP). Other participants are drawn from international and regional civil society organizations and research institutes such as the Energy Foundation China, Environmental Defense Fund, World Resources Institute, World Wildlife Fund, Bank Information Center, Accountability Counsel, Oxfam, Greenpeace, Oxford University, and NGO Forum on ADB.

The regional workshop was funded by the ADB People’s Republic of China Poverty Reduction and Regional Cooperation Fund (PRC Fund) and organized in partnership with the Policy Research Bureau of the China Banking and Insurance Regulatory Commission and supported by other government agencies in the PRC—namely, the International Cooperation Department of the Ministry of Finance, the International Environmental Cooperation Center of the Ministry of Ecology and Environment, the China Banking Association, Shanghai Municipal Bureau of Ecology and Environment. Other partners include UNEP, Energy Foundation China, Environmental Defense Fund, AIIB, and NDB.

**Knowledge Products Produced under TA 9289**

The knowledge products under the Technical Assistance on Strengthening Policy Compliance Awareness for Good Governance and Development Effectiveness (TA 9289) are now accessible at https://www.adb.org/site/accountability-mechanism/publications.

These include four guidebooks, a sourcebook, and a brochure on the compliance review function.
Office of the Compliance Review Panel (OCRP) — Compliance Review Function

Joint In Reach Activities in ADB HQ (Continuation)

The 4 guidebooks are intended for (i) ADB Management and staff, (ii) governments, (iii) affected people and their representative or partner nongovernment organizations or civil society organizations, and (iv) private sector borrowers. These guidebooks explain the compliance review function of ADB’s Accountability Mechanism and aim to aid comprehension of the compliance review and its processes, particularly the role of each of the stakeholders in the proceedings.

The sourcebook explains the roles of and information expected from different stakeholders at every stage of the compliance review process.

The brochure for affected persons and the public is a more condensed material which gives the general information on the compliance review function.
**Office of the Compliance Review Panel (OCRP) — Compliance Review Function**

**Upcoming Activities of OCRP**

OCRP will be having an outreach on the compliance review function of the ADB AM at Bishkek, in coordination with the Kyrgyz Resident Mission (KYRM) from 15 to 16 July 2019. The invited participants are representatives from the government, nongovernment organizations, private sector, and KYRM.

OCRP will also conduct on 17 July 2019 a similar outreach for the staff of Central Asia Regional Economic Co-operation (CAREC) Institute, Urumqi, PRC.

A consultation meeting will also be done by OCRP at Beijing, PRC on 19 July 2019, on the development of the draft national-level framework for environmental and social compliance and accountability mechanism for financial intermediaries, conceptualized under OCRP’s TA 9718 (Developing an Accountability Mechanism Framework for Financial Intermediaries).

The meeting participants are the officials of the China Banking and Insurance Regulatory Commission and representatives from the Ministry of Ecology and Environment, and selected banks and financial intermediaries.
Updates from the Complaint Receiving Officer (CRO)

As of 30 June 2019, the CRO received 34 complaints, 25 of which are AM-related, and six of which were forwarded as follows:

6 complaints on the following projects were forwarded to the SPF:

- **India:** *Karnataka State Highways Improvement III Project*, Project No. 42513-014 (Feb 19)
- **Papua New Guinea:** *Bridge Replacement for Improved Rural Access Sector Project*, Project No. 43200-024 (Feb 28)
- **Pakistan:** *Pehur High Level Canal Extension Project (formerly Khyber Pakhtunkhwa Water Resources Project)*, Project No. 47024-004 (Mar 13)
- **Mongolia:** *Ulaanbaatar Urban Services and Ger Areas Development Investment Program - Tranche 1*, Project No. 45007-004 (Mar 29)
- **Sri Lanka:** *Northern Province Sustainable Fisheries Development Project*, Project No. 49325-002 (April 4)
- **Pakistan:** *MFF Power Transmission Enhancement Investment Program II Tranche 3*, Project No. 48078-005 (June 20)

1 complaint received in 2018 (October 16) on the following project was forwarded to the SPF in 2019:

- **Nepal:** *Regional Urban Development Project*, Project No. 47252-002 (Feb 21)

**Figure 1: AM-Related Complaints Processed and Forwarded by the CRO to the SPF or CRP**

*Note: For 2019, there are 25 AM-related complaints as of 30 June. The total of 26 complaints in the graph above includes the complaint received in 2018 (October 16 on Nepal: Regional Urban Development Project, Project No. 47252-002 but forwarded in 2019 (February 21).*
Updates from the Complaint Receiving Officer (CRO)

As of 30 June 2019, the 6 complaints forwarded to the SPF, and 19 complaints pending with the CRO awaiting compliance with minimum requirements under the AMP 2012, in terms of sector, twelve are in transport, seven in energy, three in agriculture, natural resources, and rural development, two in water and other urban infrastructure and services and one in finance (see Figure 2), and in terms of location, six are from Central and West Asia, three from the Pacific Asia, two from East Asia, and 14 from South Asia (see Figure 3). The 25 complaints (forwarded to SPF (6) and pending with the CRO (19) exclude the complaints received by the CRO which were not AM-related. These complaints have been forwarded by the CRO to the relevant ADB department / office.

![Fig. 2: Sector of 25 AM-related Complaints Received and Forwarded to SPF (6) as of 30 June 2019](image)

![Fig. 3: Location of 25 AM-related Complaints Received and Forwarded to SPF (6) as of 30 June 2019](image)