



# Accountability Mechanism e-News

Office of the Special Project Facilitator

Office of the Compliance Review Panel

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

### Update on Eligible Complaints

#### Loans 3130/8281-GEO: Adjaristsqali Hydropower Project

The Office of the Special Project Facilitator (OSPF) received a complaint on the Project alleging its damaging impacts on the natural and social environment of a village in Batumi, Georgia. After reviewing relevant documents, teleconference with Complainants, and meetings with concerned staff from the Private Sector Operations Department (PSOD), the complaint was declared eligible for problem-solving on 12 March 2018. OSPF fielded a review and assessment mission from 2 – 5 April 2018 to hold in depth discussions with key stakeholders.

#### TAs 8481 and 7387 SAM: Promoting Economic Use of Customary Land and Grant No. 0392 Samoa Agribusiness Support Project

The draft report of the Customary Land Advisory Commission (CLAC) on the consultations conducted from September 2016 to December 2017 is being reviewed by the Project Team and will be made publicly available once the Samoan Cabinet has reviewed it as well. Per SPF recommendations, the Project Team will also describe in the report (i) the process in inviting, advertising, and participation of the villagers; and (ii) to what extent the suggestions from the participants influenced the final legislation. OSPF will review the report when shared and decide on the next steps.

### Ineligible Complaints Received

#### Loans 520 and 8328-GEO: Batumi Bypass Road Project

The complaint raised issues on a family's disagreement on the land and property valuation report of Complainants' non-agricultural and commercial properties. SPF found it ineligible for problem-solving in September 2017 as operations department was addressing the complaint by engaging a third-party valuator to conduct an independent assessment of the complainants' property. In March 2018, SPF received an appreciative email from the Complainants commending CWRD's Project Team for the 7-month proactive and collaborative work which resulted to a mutually satisfactory resolution of the complaint. The experience is a good example of how operations department's proactive action and timely intervention can lead to a problem resolution even if the full OSPF problem-solving process was not pursued.



### AM Links

[Accountability Mechanism Website](#)  
[Complaint Receiving Officer Registry](#)  
[OCRP Complaints Registry](#)  
[OSPF Complaints Registry](#)

IAMnet: Independent  
Accountability  
Mechanisms Network

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

### Ineligible Complaints (continuation)

#### **Loans 3298/3299-BAN: SASEC Second Bangladesh-India Electrical Grid Interconnection Project**

The SASEC Second Bangladesh-India Electrical Grid Interconnection Project was received on 22 February 2018. It alleged loss of Complainants' income and devaluation of assets including safety concerns due to the construction of power transmission lines along their properties. Since the complaint was not addressed by SARD, SPF requested the Project Team to work with the Complainants. SARD worked closely with key stakeholders and in March 2018 informed SPF that a multiparty meeting was held among key stakeholders and an agreement was reached on the compensation amounts, maintaining minimum clearance of the transmission line, and agreed compensation escrowed until the court has issued its ruling on a reasonable compensation to the Complainants.

#### **Loan 2752-ARM: Sustainable Urban Development Investment Program (SUDIP) – Tranche 1**

Complaint on SUDIP – Tranche 1 alleged damaging impact of the road construction to the Complainants' property, safety concerns due to the property's proximity to the newly constructed road, as well as depreciation of the property's market value. Since agreement has been reached on compensation amount as well as improved safety and pedestrian access conditions in the vicinity and that a legal agreement including other actions to finalize the agreement are underway and facilitated by the Armenia Resident Mission and CWRD, SPF found this complaint ineligible under the problem-solving function.

#### **Loans 7391/3019-KAZ: Akmola Electricity Distribution Network Modernization and Expansion Project**

The complaint alleged that the Distribution Company requires payment for access to energy grids and that local consumers must purchase a specific metering device and two-phase counter. Complainants also claim that State rules prohibit such charges and requirements. SPF declared the complaint ineligible due to lack of demonstrated harm and insufficient substantiation of elements in the complaint. SPF's involvement may not be useful as crux of the issues fall within the scope of State regulations on electricity grid connection which would be best resolved through the local legal process.

### Loans 3098/3099 and Grant 0380- Mongolia: Ulaanbaatar Urban Services and Ger Areas Development Investment Program – Tranche 1

On 28 March 2018, OSPF received a complaint from a group of Complainants that alleged potential damages and negative impacts on the land acquisition process of the Project, including issues on compensation, information and consultation. OSPF will conduct an initial fact finding mission to determine its eligibility for problem solving.

### Capacity Development on Grievance Redress Mechanisms and Problem-Solving Tool for ADB-assisted Projects

Sushma Kotagiri, Senior Facilitation Specialist led a two-week capacity development mission to Pakistan from 15-25 January 2018 supported by Lea Robidillo, Senior Consultation Officer. The objectives of the mission included (i) a three-city capacity building workshops on grievance redress mechanisms (GRM) and problem-solving tool (RESOLVE); and (ii) a briefing for the Pakistan Resident Mission staff on the Project Complaints Tracking (PCT) system and ADB's Accountability Mechanism. A total of 65 participants across 26 project executing and implementing agencies attended the workshops in Lahore, Karachi, and Islamabad.

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

### Capacity Development on Grievance Redress Mechanisms and Problem-Solving Tool for ADB-assisted Projects (continuation)

Overall, the training improved participants’ understanding and sensitivities in handling complaints and proactively responding to them in a systematic approach to avoid escalation to the AM including incurring any additional costs and project delays. Feedback from the participants indicated that such trainings be conducted periodically due to an increased portfolio in the region.



*Breakout groups in Karachi*



*Xiahong Yang, Pakistan Resident Mission Country Director, giving her closing remarks in Islamabad.*



*Participants across 11 government departments, Lahore*

### Inreach / Outreach

Induction Program, 16 February 2018 and Environmental and Social Safeguards Introductory Course, 6 March 2018

While Lea Robidillo represented OSPF at the Induction Program aimed at briefing new staff across ADB, OSPF’s Sushma Kogtagiri and OCRP’s Munawar Alam presented the ADB’s Accountability Mechanism at the Environmental and Social Safeguards Introductory Course. This is a yearly program designed specifically for operation staff across ADB. Along with sharing the mandate of two offices, AM staff also shared lessons learned from the various cases that were handled by both the offices.

## Office of the Compliance Review Panel — Compliance Review Function

### ACTIVITIES OF THE COMPLIANCE REVIEW PANEL AND THE OFFICE OF THE CRP

#### Compliance Review

**GEO: Nenskra Hydropower Project (ADB Project No. 49223-001).** Certain individuals from Nakra and Chuberi, Municipality of Mestia in Georgia complained about ADB's noncompliance about the above Project and submitted a request for compliance review to the Compliance Review Panel (CRP) in December 2017. The CRP submitted its eligibility determination report to the Board, through the Board Compliance Review Committee (BCRC), on 8 February 2018. The BCRC Chair convened a BCRC meeting to discuss the report on 15 February 2018 and the BCRC's report from the said meeting was circulated to the Board on 7 March 2018 together with the CRP's Eligibility Report.

Based on its assessment, the CRP has determined that the complaint relating to the above-referenced project is eligible for compliance review, and therefore, the CRP recommended that the Board authorize a compliance review. However, after carefully considering the eligibility report of the CRP and the recommendation of the BCRC, the Board approved the recommendation of the BCRC not to proceed to a compliance review of the project at this time. ADB Management, however, is required to consider the CRP's findings in the Eligibility Report and to prepare a compliance report/action plan (a "Management Plan") that includes remedial or ameliorative measures to address all the questions of compliance identified in the Eligibility Report.

The recommendation of the BCRC to the Board, the CRP's report on eligibility (with ADB Management's response) and the Board's decision are all publicly accessible from the CRP's [website](#).

#### Monitoring of Implementation of Board Decisions on Eligible Complaints

**GEO: Sustainable Urban Transport Investment Program - Tranche 3 (Loan No. 3063).** On 15 December 2017, the CRP received the Management's remedial action with proposed final solution. Following para. 5 of the Corrigendum to document R49-17 dated 29 June 2017 of the remedial action plan approved by the Board in June 2017, the Management's remedial action plan with proposed final solution was submitted to the BCRC for its review together with the CRP's comments on 21 December 2017. During its 6 March 2018 meeting, BCRC agreed to the proposed final solution with the recommendations of the CRP.

**CAM: Greater Mekong Sub-Region Rehabilitation of the Railway in Cambodia Project.** While waiting for the official progress report on the project, the CRP was informed by SERD through email that the NGO (Cooperative Union Foundation Australia-CUFA) has made progress on the income restoration program and debt workout scheme and will continue to provide support to the project, and that the Government is continuing to build awareness and improving the grievance redress mechanism (GRM) procedures. The next quarterly progress report for the project is being prepared by SERD and is expected to be submitted to the CRP this April 2018.

**IND: Mundra Ultra Mega Power Project (Loan No. 2419).** The CRP received PSOD's 10th Quarterly Progress Report on this project on 21 December 2017 which highlighted the status of implementation of Board-approved remedial actions. In its review of PSOD's recent report, the CRP noted key outstanding issues on the implementation of the remedial action plan which it submitted to BCRC on 9 January 2018, as follows:

- i) need for additional thermal impact monitoring along shoreline up to Modhwa creek to assess impacts on biodiversity, especially fish resources, and thus the extent to which fisherfolks are affected by the thermal discharge;
- ii) need for a long-term development support program for foot fishers impacted by thermal discharge in addition to the livelihood support program being implementation;
- iii) implementation of the recommendations presented under a Study on the Ambient Air Quality, Stack Emissions and Meteorological Parameters;
- iv) need for a health impact study as specified in the RAP (a health study has been completed which is a health baseline only); and
- v) significant shortcomings in disclosure and consultation measures.

The CRP will conduct its third annual monitoring mission in May.

## Office of the Compliance Review Panel — Compliance Review Function

### Monitoring of Implementation of Board Decisions on Eligible Complaints (continuation)

**PHI: Visayas Base-Load Power Development Project (Loan No. 2612).** Since CDTA 8338 has not yet been completed, Recommendations 1 and 4 remain partially complied with. As such, the CRP will continue to monitor and report the progress of the remaining activities to BCRC, based on studies as well as quarterly progress reports which will also be continuously submitted by PSOD until all the recommendations are brought into full compliance.

Based on the 22<sup>nd</sup> Monitoring report by PSOD on 2 February 2018, it is unclear whether the two air quality monitoring stations have been made operational and are constantly collecting data necessary for the validation of the air quality monitoring study. AECOM (the consultant firm contracted to the air quality study under CDTA 8338) has engaged Electrobyte one year to provide O&M services for the two continuous ambient air quality monitoring stations at the compound of Naga City Hall and inside the Track and Field Oval of the Naga City Sports Complex. Since the CRP's last site visit in September 2017, Electrobyte has replaced the damaged parts of the ambient air monitoring stations based on its contract. However, there are still repairs and parts replacement that were needed but were not included in Electrobyte's pre-assessment in July 2017. Using borrowed parts (from other stations maintained by Electrobyte), the two ambient air quality monitoring stations are currently operational and generating data. With the delay in the operationalization of the equipment, the submission of the report on air quality monitoring will also be delayed.

It should be noted that ADB Management can only submit an air quality management plan that will address negative health impacts of air pollution (which is essentially required to comply with the pending Board-approved recommendations and complete the remedial actions), if there is good data from the two ambient air monitoring stations for 6 straight months.

### Other Activities

**Technical Assistance on Strengthening Policy Compliance Awareness for Good Governance and Development Effectiveness (TA 9289).** The fifth workshop under this TA was held on 6-7 February 2018 in the ADB Thailand Resident Mission in Bangkok. Participants from NGOs and ADB resident mission staff commented on the guidebooks for NGOs. Separate guidebooks were prepared for i) ADB Staff and Management; ii) affected people and NGOs/CSOs; iii) government; and iv) private sector. The launch of the four guidebooks is being planned during ADB's Annual Meeting in an institutional event scheduled on 4 May 2018.

**TA 9466: Strengthening Compliance Review and Accountability to Project Affected Persons of Financial Intermediaries, Financed by the PRC: Regional Cooperation and Poverty Reduction Fund (PRCF).** This TA, which aims to increase the awareness of financial institutions, particularly, financial intermediaries (FIs) involved in ADB projects on safeguards compliance, review, and monitoring, was approved for financing under PRCF in December 2017. Under this TA, a knowledge product which will gather and document good practices on safeguards compliance, supervision, and accountability among FIs involved in projects funded by IFIs will be produced and will be enhanced and validated through three regional workshops in PRC, India, and Southeast Asia. The first workshop will be held in PRC on 12 June in Beijing and Xiamen on 14 and 15 June, respectively, in partnership with the China Banking Regulatory Commission (CBRC); the Ministry of Finance (MOF); the China Banking Association (CBA), and the Ministry of Environmental Protection (MEP). These regional workshops will be attended by senior and working level staff from various financial intermediaries and banks from PRC and 18 DMCs from Central and West Asia, ASEAN countries, and Mongolia. The purpose of the two workshops is to (i) promote accountability and management of environmental and social risks amongst the various financial institutions, through exchange of knowledge and discussions on relevant international good practices; and (ii) guide the establishment of complaint mechanism for compliance review and accountability within their institutions, to ensure that relevant environmental and social safeguard policies and best international practices are implemented.

## Office of the Compliance Review Panel — Compliance Review Function

### Other Activities (continuation)

**Guidelines for the Protection of Key Stakeholders During Accountability Mechanism Process.** OCRP initiated the drafting of this document which received inputs from the Office of the General Counsel and Office of the Special Project Facilitator (OSPF) and CRP members. These guidelines will provide guidance to CRP/OCRP, SPF/OSPF and the Complaint Receiving Officer (CRO) in making the best efforts to protect confidential information relating to the complainants and other stakeholders to avoid reprisals from any quarter, during all stages of the accountability mechanism processes. These guidelines are expected to be finalized

### In-reach

On 6 March 2018, OSPF and OCRP provided a briefing on Accountability Mechanism for ADB staff during the SDES-organized Environment and Social Safeguards in ADB Operations (Introductory Course), in coordination with BPMSD.

### Outreach



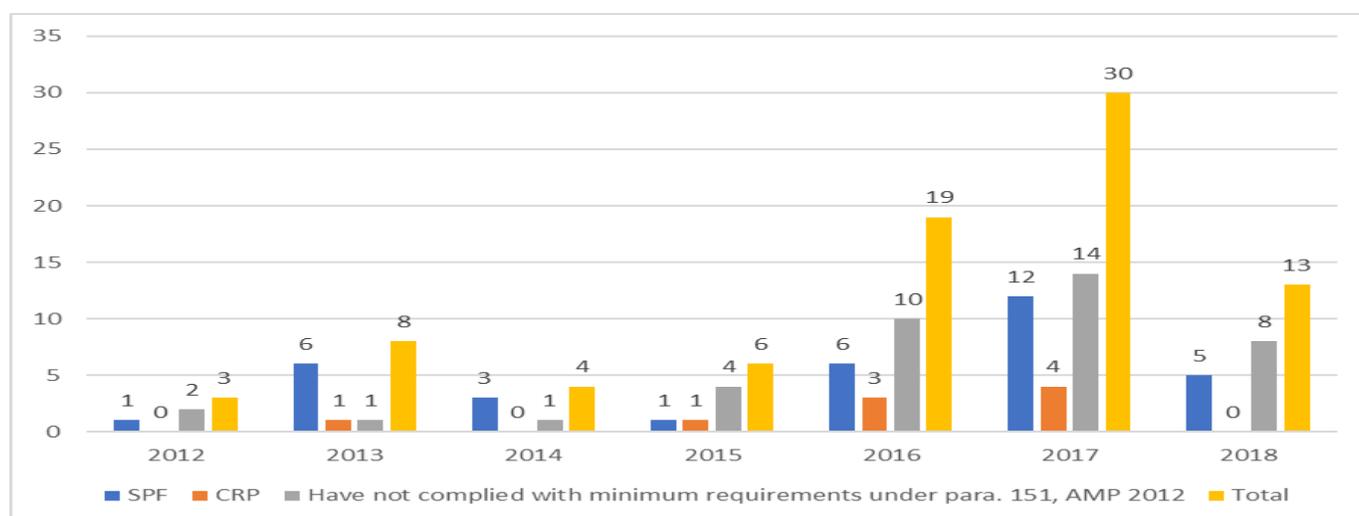
**CRP Member’s Presentation to Commercial Banks on Grievance Mechanisms, 11-13 March 2018, Amsterdam.** CRP Member Ms. Arntraud Hartmann participated in the above captioned meeting to share with representatives of European Commercial banks, who are involved in financing projects in developing countries, the structure and lessons learned of complaints mechanisms of multilateral banks and to discuss with representatives the need and appropriate structure of complaint mechanisms at commercial banks. The meeting was hosted by the Dutch Banking Association, which had played a lead role in forging an agreement with Dutch Commercial Banks, civil society, and the Dutch Government, to assure that Dutch commercial banks when funding projects, adhere to environmental, human rights and labor standards. Ms. Hartmann shared with the meeting the structure and lessons learned from complaints processed of the ADB compliance review mechanism. She also shared the CRP’s lessons learned from project level grievance mechanisms which are monitored under CRP programs. Representatives of commercial banks were also interested in the program conducted by OCRP to support developing banks in Asia to establish complaints mechanisms.

## Updates from the Complaint Receiving Officer (CRO)

In the first quarter of 2018 (as of end March), the CRO received 24 complaints, 5 of which were forwarded as follows:

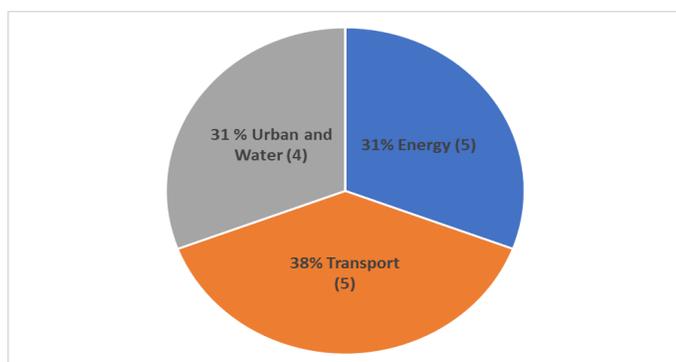
- Five complaints on the following projects were forwarded to the SPF:
  - **Kazakhstan: Akmola Electricity Distribution Network Modernization and Expansion Project**, Project No. 46933-014 (Jan 15)
  - **Armenia: Sustainable Urban Development Investment Program - Tranche 1**, Project No. 42417-023 (Feb 12)
  - **Bangladesh: SASEC Second Bangladesh–India Electrical Grid Interconnection**, Project No. 44192-016 (Feb 22)
  - **Georgia: Adjaristsqali Hydropower Project**, Project No. 47919-014 (Mar 8)
  - **Mongolia: Ulaanbaatar Urban Services and Ger Areas Development Investment Program – Tranche 1**, Project No. 45007-004 (Mar 28)

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



In the first quarter of 2018, the five complaints forwarded to the SPF listed above and eight complaints pending with the CRO awaiting compliance with minimum requirements under the AMP 2012, in terms of sector, five are in transport, four in energy, and four in water and other urban infrastructure services. (see Figure 2), and in terms of location, six are from Central and West Asia, four from South Asia, two from Private Sector, and one from East Asia. (see Figure 3). The 13 complaints (forwarded to SPF (5) and pending with the CRO (8) exclude the 11 complaints received by the CRO which are not AM-related (regarding procurement and non-ADB assisted projects). The procurement-related complaints on ADB-assisted projects have been forwarded by the CRO to the relevant ADB operations department.

**Fig. 2: Sector of 13 AM-related Complaints Received and Forwarded to SPF (5) in First Quarter of 2018**



**Fig. 3: Sector of 13 AM-related Complaints Received and Forwarded to SPF (5) in First Quarter of 2018**

