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

UPDATES ON COMPLAINTS

Five complaints were received and assessed for eligibility by the Office of the Special Project Facilitator (OSPF) during Q1 2019. One of these, a second complaint on the Mongolia: Ulaanbaatar Urban Services and Ger Areas Development Investment Program – Tranche 1, was made eligible for problem-solving. Complaints from project-affected people from India, Nepal, and Papua New Guinea were ineligible because the complainants had not attempted to resolve issues with South Asia Department and Pacific Department, respectively. Eligibility assessment of the complaint on Pakistan: Pehur High Level Canal Extension Project (formerly Khyber Pakhtunkhawa Water Resources Project) is on-going.

Management of the following complaints required considerable OSPF attention in Q1 2019:

Sri Lanka: Clean Energy and Network Efficiency Improvement Project
OSPF fielded a mission to review this complaint from 4 to 8 March 2019. Two independent experts, a transmission engineer and a resettlement specialist, assisted the Special Project Facilitator to reassess an ongoing complaint about the alignment of the project transmission line. Based on the review, the complainant was informed that the planned alignment is the most feasible and encouraged them to negotiate a compensation package with the executing agency. OSPF offers to provide facilitation for such negotiations if the complainants request for such support.

Georgia: Batumi Bypass Road Project
OSPF worked with the Central and West Asia Department to attempt to resolve this ongoing eligible complaint. The independent valuation of the complainant’s property is complete. The continuing constraint in moving ahead with the problem-solving process is the unwillingness of the executing agency to re-open negotiations for compensation with the complainants.

Nepal: Tanahu Hydropower Project
OSPF continues to monitor the agreed course of actions from October 2018. A joint meeting was held in March 2019 attended by the community, executing agency, and the ADB project team. The EA presented the process and approach on compensation methodology including entitlement matrix and other elements of Resettlement and Indigenous People’s Plan. The community refused to sign any minutes and informed the EA and the ADB project team that they will read the documents and inform their decision on proceeding with case-by-case negotiations.

Mongolia: Ulaanbaatar Urban Services and Ger Areas Development Investment Program – Tranche 1 (First complaint)
As of 31 March 2019, all claims were resolved in favor of the complainants through case-by-case negotiations and payment of cash compensation is in progress for this complaint. OSPF continues to be engaged primarily in a monitoring role but will facilitate further negotiations as the need arises. A monitoring report will be prepared as a next step.
### Office of the Special Project Facilitator (OSPF) — Problem-Solving Function

#### SNAPSHOT OF COMPLAINTS IN Q1 2019

<table>
<thead>
<tr>
<th>Country</th>
<th>Project Description</th>
<th>Approval Date</th>
<th>Source of Funding/Amount</th>
<th>Status</th>
<th>Complaint Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>PAKISTAN</td>
<td>Pehur High Level Canal Extension Project (formerly Khyber Pakhtunkawa Water Resources Project)</td>
<td>24 November 2016</td>
<td>L3470: OCR - $86.41 million</td>
<td></td>
<td>Complainants (10 families) allege reduction in farm productivity and income loss due to change in configuration of their farm land due to acquisition of land triggered by the project design.</td>
</tr>
<tr>
<td>MONGOLIA</td>
<td>Ulaanbaatar Urban Services and Ger Areas Development Investment Program – Tranche 1 (2nd Complaint)</td>
<td>17 December 2013</td>
<td>G0380, Urban Environmental Infrastructure Fund under the Urban Financing Partnership Facility - $3.70 million; L3098, OCR - $27.50 million; L3099, concessional ordinary capital resources lending/ADF - $22.50 million; EIB - $28.38 million</td>
<td>Eligible (29 March 2019)</td>
<td>Complainants (35 families) allege potential damages and negative impacts of land acquisition including compensation and environmental/construction related impacts among others, which are similar to the first complaint that was declared eligible on 12 April 2018.</td>
</tr>
<tr>
<td>INDIA</td>
<td>Karnataka State Highways Improvement III Project</td>
<td>8 December 2017</td>
<td>L3619, OCR - $218.04 million</td>
<td>Ineligible (8 March 2019)</td>
<td>Complainants allege that the compensation amounts calculated for the land is low including misclassification of land from rural to urban.</td>
</tr>
<tr>
<td>NEPAL</td>
<td>Regional Urban Development Project</td>
<td>22 September 2017</td>
<td>L3566, concessional OCR/ADF: $150.00 million; TA 9384, $1 million</td>
<td></td>
<td>Complainants allege that the compensation offered for affected land and properties (building, shop, and valuable household items) is inaccurate.</td>
</tr>
<tr>
<td>PAPUA NEW GUINEA</td>
<td>Bridge Replacement for Improved Rural Access Sector Project</td>
<td>28 September 2011</td>
<td>Loan 2783, OCR: $40.00 million; Loan 2784, concessional ordinary capital resources lending/ADF: $50.00 million; TA 7874, $ 800,000.00; EIB: US$ 8.40 million and US$ 50.00 million</td>
<td>Ineligible (13 March 2019)</td>
<td>Complainants allege that the project contractor did not provide temporary bridges prior to constructing the new ones which severely impacted business operations for the complainants and production loss for smallholders who were unable to harvest and sell their products to the complainants’ company.</td>
</tr>
</tbody>
</table>
Office of the Special Project Facilitator (OSPF) — Problem-Solving Function

OPERATIONAL SUPPORT AND ADVISORY SERVICES

2018 Learning Report on Implementation of the Accountability Mechanism

OSPF led the preparation of the 3-year Accountability Mechanism Joint Learning Report. This is a triennial publication mandated by the 2012 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. Detailed discussions across various ADB operations departments were undertaken to critically evaluate the complaints received in the last 3 years and to draw lessons and provide recommendations for improved design and implementation measures that should reduce or lead to better managed complaints. A Discussion Draft of the 3-year Joint Learning Report will be the basis for a seminar at the ADB Annual Meeting in Nadi, Fiji, on 3 May 2019.

TA9598-REG: Capacity Building for Grievance Redress and Dispute Resolution During Project Implementation

Recognizing the importance of improving effectiveness of ADB-assisted project grievance redress mechanisms (GRM), ADB approved a technical assistance (TA) for Capacity Building for Grievance Redress and Dispute Resolution During Project Implementation in September 2018. The main outcome of the TA will be improved sustainability of project investments and benefits as a result of better performance of project implementation, particularly implementation of social and environmental management measures. The TA will also improve the understanding and application of GRMs and the problem-solving performance of executing and implementing agencies and other key stakeholders, such as civil society organizations. This will be accomplished through a capacity development and training program targeting sector portfolios with high safeguards risk. It will be enhanced by analytical research and the establishment of a network of practitioners on GRM and problem-solving or dispute resolution in member countries.

To kick-off TA activities, an inception workshop was held from 14-15 February 2019 at the ADB headquarters in Manila. The workshop was attended by 31 participants, including ADB staff and experts, who shared insights and good practices on how to bring ADB’s GRM efforts to the fore. The workshop aimed to (i) orient participants on ADB’s Project Cycle and Accountability Mechanism; (ii) familiarize participants on the critical issues and complaints faced by the operations departments across various sectors; (iii) present analytical work on GRM by OSPF and institutional study on GRM by the Safeguards Division of SDCC; and (iv) introduce participants to the various tools used by ADB in its problem-solving and GRM trainings, and brainstorm on how these tools can be improved to better meet the evolving needs and complexity of ADB-assisted projects.

In his welcome remarks, former ADB Operations 2 Vice-President, Stephen Groff, emphasized the need to continuously create a climate of strengthened dialogue, collaboration, and participation among diverse partners and stakeholders to ensure inclusivity in bringing the best country solutions through high-quality operations; and that this TA should be effective in providing the most effective measures and approaches to better understand and inculcate good practices for project-level grievance redress and problem-solving in different contexts.
Office of the Special Project Facilitator (OSPF) — Problem-Solving Function

OPERATIONAL SUPPORT AND ADVISORY SERVICES

TA9598-REG: Capacity Building for Grievance Redress and Dispute Resolution During Project Implementation (continuation)

The TA will be implemented over 2 years, with provision of 12 training and capacity development programs. In Q1 2019, training workshops were held in the Philippines, Fiji, and Georgia.

The Philippines
ADB Headquarters | 4-6 March 2019
- 12 participants across three executing and implementing agencies
- The participants strongly commended the effectiveness of both the facilitator and the teaching method/approach used in the entirety of the 3-day workshop.

Fiji
Novotel Hotel | 14-15 March 2019
- 24 participants across 18 executing and implementing agencies from Cook Islands, Fiji, Kiribati, Samoa, and Tuvalu
- The participants recognized that sensitivities in handling complaint systematically in a structured way can avoid unnecessary escalation and reputational risk not only to ADB but also the government, not to mention added costs and project delays.

Georgia
Marriott Tbilisi Hotel | 25-27 March 2019
- 33 participants, across seven executing and implementing agencies, including ADB consultants and resident mission staff
- The participants appreciated the engaging and participatory methodology of the training. They found communication tools helpful for their future work. Participants also appreciated the sharing of real-time experiences from OSPF’s previous and ongoing complaints.

Accountability is...
the sum of Authority + Responsibility

Source: https://www.slideshare.net/joutlaw/accountability-at-work
Office of the Compliance Review Panel (OCRP) - Compliance Review Function

MONITORING OF BOARD-APPROVED REMEDIAL ACTIONS

GEO: Urban Transport Investment Program - Tranche 3 - Loan

The CRP received two updates from CWRD – the 2018 second semi-annual progress report (submitted in February) and the 2019 first quarter progress report (submitted in March) on good faith effort on the fourth complaint. The project team submitted its site-specific environmental management plan, and noise and vibration monitoring plans.

To address the complainants' concerns, independent valuation firm has been recruited by CWRD and this firm is currently completing a valuation of land and non-land assets of the complainants. The result of this valuation will then be compared with the valuation done by the borrower’s implementing agency and assessed in terms of adequacy with the requirements of ADB’s Safeguard Policy Statement. ADB Management is in regular dialogue with the complainants.

CAM: Greater Mekong Sub-Region Rehabilitation of the Railway in Cambodia Project

The CRP submitted its fourth monitoring report to the Board through the Board Compliance Review Committee in February 2019. The CRP’s report concludes that out of the six board-approved recommendations, half are currently implemented, one is completely implemented, one deemed partially implemented, and the other one is proposed to be closed.

OCRP Joins 10th Anniversary of European Investment Bank’s Complaint Mechanism

The CRP Chair and OCRP Advisor represented ADB in the 10th anniversary of European Investment Bank’s Complaints Mechanism held on 14-15 January in Luxembourg. Mr. Tang presented in the panel and discussed compliance and mediation aspects of accountability mechanism. Representatives from accountability and complaints mechanisms of other MDBs such as AfDB, EBRD, IDB, IFC, and World Bank also presented.

OGC Interpretation of Certain Provisions of the AM Policy

In February, the OGC released a memo in response to the 11 issues in the AM policy identified by the BCRC. OGC offered their clarification and interpretation on the following areas:

- application of ‘evidence’ vs ‘prima facie evidence’
- scope of monitoring of Remedial Action Plan
- enhanced role of BCRC
- sequencing and timing of communication to stakeholders
- scope of compliance review
- additional complaints from different set of complainants
- CRP’s access to all information
- definition of ‘harm’ and ‘likely harm’
- independence and/or reporting lines of CRP part time members
- conflicts of interests related to BCRC or CRP
- role of CRP in Monitoring Action
UPCOMING EVENT

Regional Workshop on Developing an Accountability Mechanism Framework for Financial Intermediaries on 20-21 May in Shanghai, PR China

The OCRP was able to secure approval for funding of a small-scale technical assistance on Developing Accountability Mechanism Framework for Financial Intermediaries (TA 9718) from the PRC Poverty Reduction and Regional Cooperation Fund (PRC Fund) in March 2019. Under this TA, a draft accountability mechanism framework to strengthen safeguards compliance and accountability to affected persons by financial intermediaries will be the output. A draft of this will be prepared by an international consultant with the help of local consultant from PRC. This draft will be subjected to a consultative and validation workshop which is organized by a national consultant under this TA.

The initial draft of this knowledge product will be presented in a regional workshop in Shanghai which is organized in partnership with the China Banking and Insurance Regulatory Commission (CBIRC) and supported by the Ministry of Finance (MOF), the Ministry of Ecology and Environment (MEE), the China Banking Association (CBA), Shanghai Municipal Bureau of Ecology and Environment, and the United Nations Environment Program (UNEP), and partnered with Asian Infrastructure Investment Bank (AIIB), New Development Bank (NDB), Energy Foundation, and Environmental Defense Fund (EDF).

IN THE PIPELINE

Preparation of Knowledge Notes: Strengthening Accountability Mechanisms in Financial Intermediaries

The OCRP is finalizing the knowledge notes on Strengthening Accountability Mechanisms in Financial Intermediaries (FIs). The knowledge notes are based on the data gathered from the three workshops under the TA 9466-REG: Strengthening Compliance Review and Accountability to Project Affected Persons of Financial Intermediaries. This is currently reviewed by NGOs and ADB staff and will be later shared with some of the MDBs for their comments and inputs. This is also intended to be presented at the proposed Shanghai workshop in May 2019, and is expected to be finalized in Q3, 2019.

Finalization of Sourcebook on Compliance Review

In its continuing effort at developing knowledge products that would support compliance and accountability, OCRP and OGC reviewed the draft Sourcebook on compliance review. The draft of the Sourcebook was reviewed in light of including recent illustrative cases and providing cases on recent practice or concrete examples from previous experience from compliance review cases.

The source book documents case studies and best-practice examples of compliance cases. It is expected to help ADB and its partners in development—governments and private sector borrowers alike—gain a clearer understanding of their actionable options. This sourcebook will also serve as one of the training materials for the outreach missions of the Office of the Compliance Review Panel.
Office of the Compliance Review Panel (OCRP) - Compliance Review Function

**OCRP OUTREACH ACTIVITIES IN THE UNITED KINGDOM**

**17-18 January, London, United Kingdom**

The OCRP held meetings with different organizations in London last January. Mr. Tang and Mr. Alam met with representatives from Department for International Development (DFID) and briefed them about ADB’s AM Policy. Discussions touched on possible reasons for steady increase in complaints since 2012 and also the two functions of AM. OCRP likewise held a discussion meeting with representatives from Accountability Counsel, BIC Europe and Center for Research on Multinational Corporations (SOMO). They were interested in learning the differences in structure of various IFI’s AMs including AIIB, the value of panel members in compliance review, grounds for determining ineligibility of complaints.

A consultation meeting with European Bank for Reconstruction and Development (EBRD) Accountability Mechanism was also organized separately. The meeting focused on policy review of, panel vs non-panel approach in compliance review, complaints handling on co-financed projects, and Nenskra Hydropower Project.

**OCRP OUTREACH ACTIVITIES IN ASIA**

From January to March, the OCRP organized outreach activities in Tajikistan, Pakistan, and Viet Nam to promote awareness on ADB’s Accountability Mechanism. OCRP periodically conducts information sessions in borrowing countries for representatives of executing and implementing agencies as well as from the private sector, CSOs, and NGOs. The aim is to not only familiarize them with the procedures for accessing the AM but to also understand how complaints help improve the way ADB designs and implements projects and how they can meaningfully take part in the process. The session may last one whole day or half day where in participants are trained on the AM process through OCRP-developed guidebooks and discussion of case studies and lessons learned from those.
Office of the Compliance Review Panel (OCRP) - Compliance Review Function

OCRP OUTREACH ACTIVITIES IN ASIA (Continuation)

19-20 February, Islamabad, Pakistan

Workshop with 21 government representatives and a special session on the Accountability Mechanism with focus on compliance review was held for 33 ADB staff. Xiaohong Yang, CD PRM and Syed Mujtaba Hussain, Joint Secretary, Economic Affairs Division, delivered the welcome remarks for the session with government.

26-27 & 29 March, Hanoi & Ho Chi Minh, Viet Nam

Workshops were held in two cities in Viet Nam for government, and CSOs/NGOs. There were a total of 87 participants.

14-15 February, Dushanbe, Tajikistan

Workshops were held separately for government representatives, and NGO and ADB staff. A total of 19 government representatives, 5 ADB TJRM staff and 13 CSO/NGO participants were present.
OSPF and OCRP

JOINT IN REACH ACTIVITIES IN ADB HQ

22 February
Together with OSPF, OCRP presented the two functions of the Accountability Mechanism at the Induction Program of new ADB staff. Around 40 new staff were present.

14 March
Mr. Alam discussed the AM Policy 2012 at the inception of the OSPF administered TA 9598 on capacity building on the Grievance Redress Mechanism. One of the projected outcomes of this TA is to strengthen analytical work in understanding good practices of project level GRMs.

18 March
With OSPF, Mr. 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.
Updates from the Complaint Receiving Officer (CRO)

As of 30 April 2019, the CRO received 24 complaints, 19 of which are AM-related, and five of which were forwarded as follows:

5 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)

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 19 AM-related complaints as of 30 April. The total of 20 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).

As of 30 April 2019, the 5 complaints forwarded to the SPF, and 14 complaints pending with the CRO awaiting compliance with minimum requirements under the AMP 2012, in terms of sector, nine are in transport, five in energy, two 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, four are from Central and West Asia, three from the Pacific Asia, two from East Asia, and ten from South Asia (see Figure 3). The 19 complaints (forwarded to SPF (5) and pending with the CRO (14)) 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.
Updates from the Complaint Receiving Officer (CRO) (Continuation)

Fig. 2: Sector of 19 AM-related Complaints Received and Forwarded to SPF (5) as of 30 April 2019

- Transport: 47% (9)
- Energy: 26% (5)
- Agriculture: 11% (2)
- Water: 11% (2)
- Finance: 5% (1)

Fig. 3: Location of 19 AM-related Complaints Received and Forwarded to SPF (4) as of 30 April 2019

- South: 53% (10)
- Pacific: 15% (3)
- Central and West: 21% (4)
- East Asia: 11% (2)