



ADB Accountability Mechanism

Annual Report 2017

JUNE 2018

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Cover photo: A portrait of a girl child in Viet Nam (photo by OSPF).

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| | | |
|----------|---|--|
| ADB | – | Asian Development Bank |
| AIIB | – | Asian Infrastructure Investment Bank |
| AM | – | Accountability Mechanism |
| ARRM | – | Armenia Resident Mission |
| BCRC | – | Board Compliance Review Committee |
| CEB | – | Ceylon Electricity Board |
| CGPL | – | Coastal Gujarat Power, Limited |
| CPCB | – | Central Pollution Control Board |
| CRO | – | complaint receiving officer |
| CRP | – | Compliance Review Panel |
| CSO | – | civil society organization |
| CWOD-PSG | – | Portfolio, Results, Safeguards and Gender Unit, CWRD |
| CWRD | – | Central and West Asia Department |
| EA | – | executing agency |
| EMP | – | environmental management plan |
| ESIA | – | environmental and social impact assessment |
| ESMP | – | environmental and social management plan |
| GCF | – | Green Climate Fund |
| GRC | – | grievance redress committee |
| GRM | – | grievance redress mechanism |
| IA | – | implementing agency |
| IAM | – | Independent Accountability Mechanism |
| IAMnet | – | Independent Accountability Mechanisms Network |
| IFC | – | International Finance Corporation |
| IFI | – | international financial institution |
| IRM | – | independent redress mechanism |
| km | – | kilometer |
| KEPCO | – | Korea Electric Power Corporation |
| KSPC | – | KEPCO SPC Power Corporation |
| kV | – | kilovolt |
| LARP | – | Land Acquisition and Resettlement Plan |
| m | – | meter |
| MDB | – | multilateral development bank |
| MFF | – | multitranche financing facility |
| MOF | – | Ministry of Finance |
| MW | – | megawatt |
| NDB | – | New Development Bank |
| NGO | – | nongovernment organization |
| NGT | – | National Green Tribunal |
| OCRCP | – | Office of the Compliance Review Panel |
| OD | – | operations department |
| OSPF | – | Office of the Special Project Facilitator |
| PCT | – | Project Complaint Tracking |
| PRC | – | People's Republic of China |
| PRCM | – | PRC Resident Mission |
| PSOD | – | Private Sector Operations Department |
| SAOD | – | Office of the Director General, SARD |
| SARD | – | South Asia Department |

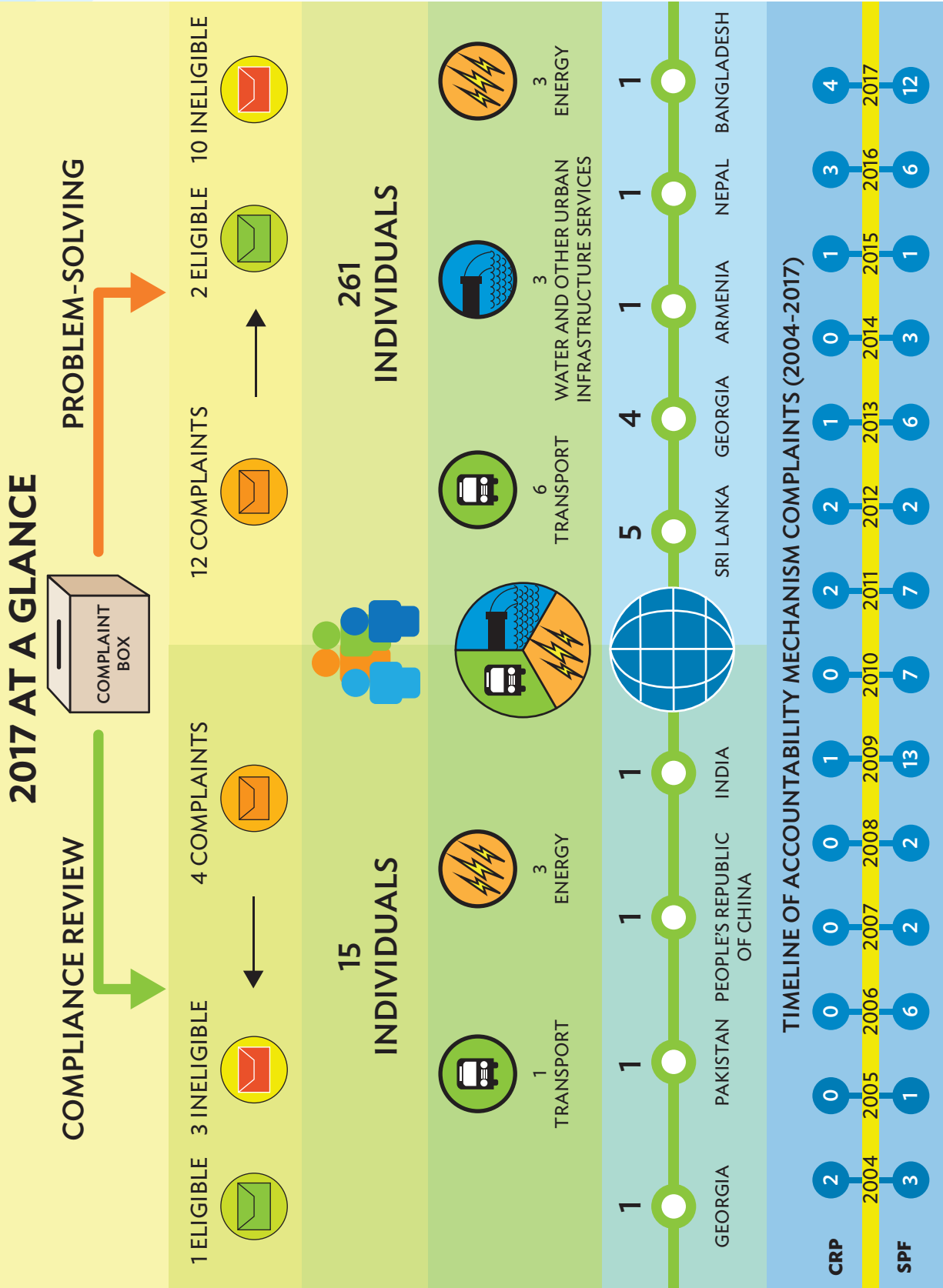
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|-------|---|--|
| SERD | – | Southeast Asia Department |
| SLRM | – | Sri Lanka Resident Mission |
| SPF | – | special project facilitator |
| SPS | – | safeguard policy statement |
| SSTA | – | small-scale technical assistance |
| STG | – | secondary transmission grid |
| SUDIP | – | Sustainable Urban Development Investment Program |
| SUTIP | – | Sustainable Urban Transport Investment Program |
| TA | – | technical assistance |
| YM | – | Municipality of Yerevan |

The two arms of the Accountability Mechanism of the Asian Development Bank (ADB) are the Office of the Special Project Facilitator (OSPF) and the Compliance Review Panel (CRP)/Office of the Compliance Review Panel (OCRP). While there is clear distinction and division of labor between the two arms—the former reports to Management and the latter to the Board of Directors—they are complementary and mutually reinforcing, a fact that this joint Annual Report underscores. The Report first discusses the 2017 problem-solving function of the Special Project Facilitator and OSPF, then the activities of the CRP/OCRP, and then presents their joint outreach and in-reach endeavors held in both developed and developing country settings in North America, Asia, and Europe. Statistics are presented on the complaints about ADB projects brought forth in 2017, the number of stakeholders reached through training activities, the historical record of complaints received, and the financial reporting of both offices.

In 2017, OSPF resolved a complaint and closed the case for a project in Armenia,

completed a review and assessment of a project in Sri Lanka and outlined a course of action for it, and continued to monitor two technical assistance activities in Samoa. OSPF fast-tracked problem-solving for other complaints by encouraging participation in dispute resolution by operations departments. OSPF restructured its work to rapidly determine eligibility and develop courses of action. It also restructured its training activities to provide demand-driven capacity development and support services.

In 2017, the CRP/OCRP completed the compliance review of a project in Georgia; initially assessed complaints in the People's Republic of China, Georgia, India, and Pakistan; and continued to monitor remedial actions for three projects following compliance review. OCRP conducted workshops in Baku, Dhaka, Manila, and Tbilisi to develop guide books on compliance review for major stakeholders. And the CRP/OCRP coordinated with multilateral independent accountability mechanisms on compliance review concerns.



Source: Office of the Special Project Facilitator.



Problem-Solving



OSPF's review and assessment mission in the field in October 2017 on Sri Lanka: Clean Energy and Network Efficiency Improvement Project complaint (photo by OSPF).

Preface to OSPF Report

The problem-solving function as carried out by the Office of the Special Project Facilitator (OSPF) under the 2012 Asian Development Bank (ADB) Accountability Mechanism Policy and prior to that under the 2003 Policy has evolved to be responsive to the complaints received by people adversely affected by ADB-financed projects. The role of OSPF has also evolved in response to changes in processes and operational requirements within ADB. For example, the introduction of the grievance redress mechanism (GRM) as an integral component of project design and implementation should substantially reduce the need for project-affected people going to OSPF to seek resolution of project-related problems. Indeed, evidence is pointing toward that possibility. But at the same time, ADB lending levels and complexity of operations have dramatically increased, resulting in increased risks that legitimate grievances may emerge.

Since 2003, 19 complaints have been found to be eligible for OSPF problem-solving. The number of complaints has gone up and down over the years, with a maximum of 13 in 2009. But the types of complaints have not changed substantially. By far, the majority have been and continue to be related to resettlement and/or compensation issues and are linked to inadequate consultation and participation. Many of the complaints are straightforward issues—families or groups of families were seemingly left out of the process of securing adequate compensation. But others are much more complicated and reflect the challenges of the development process of

investing in infrastructure and other sectors for the larger public good but inevitably having adverse impacts on some communities. The reality is that a very small percentage of ADB projects generate complaints that reach OSPF. However, as the ADB portfolio grows in size and complexity and there is a greater awareness of the Accountability Mechanism Policy by affected people, it is likely that the number will increase in coming years.

In 2017, 12 complaints reached my desk for consideration of eligibility. Four of those projects were clearly not eligible for reasons of not being caused by ADB-financed projects or lacking clarity about tangible effects on affected people. Another five complaints were credible but deemed ineligible because insufficient effort had been made to resolve the issue(s) by working with the concerned ADB operations department (OD) before reaching out to OSPF. For such complaints, OSPF supports the OD to undertake measures to resolve the issues. Of the 12 complaints addressed to OSPF in 2017, two were eligible for problem-solving. These are in the process of being resolved or were resolved, as described in this Annual Report. In addition, two eligible complaints from previous years were closed, while two continue to be monitored and are expected to be closed in 2018.

Some of these complaints might have been avoided if more effective GRMs or other problem identification and resolution systems had been in place at the project level. Thus, a key OSPF activity in 2017 was to provide

capacity development/training to ADB staff, government partners, nongovernment organizations, the private sector, and consultants on GRMs and problem-solving. This is also described in this report.

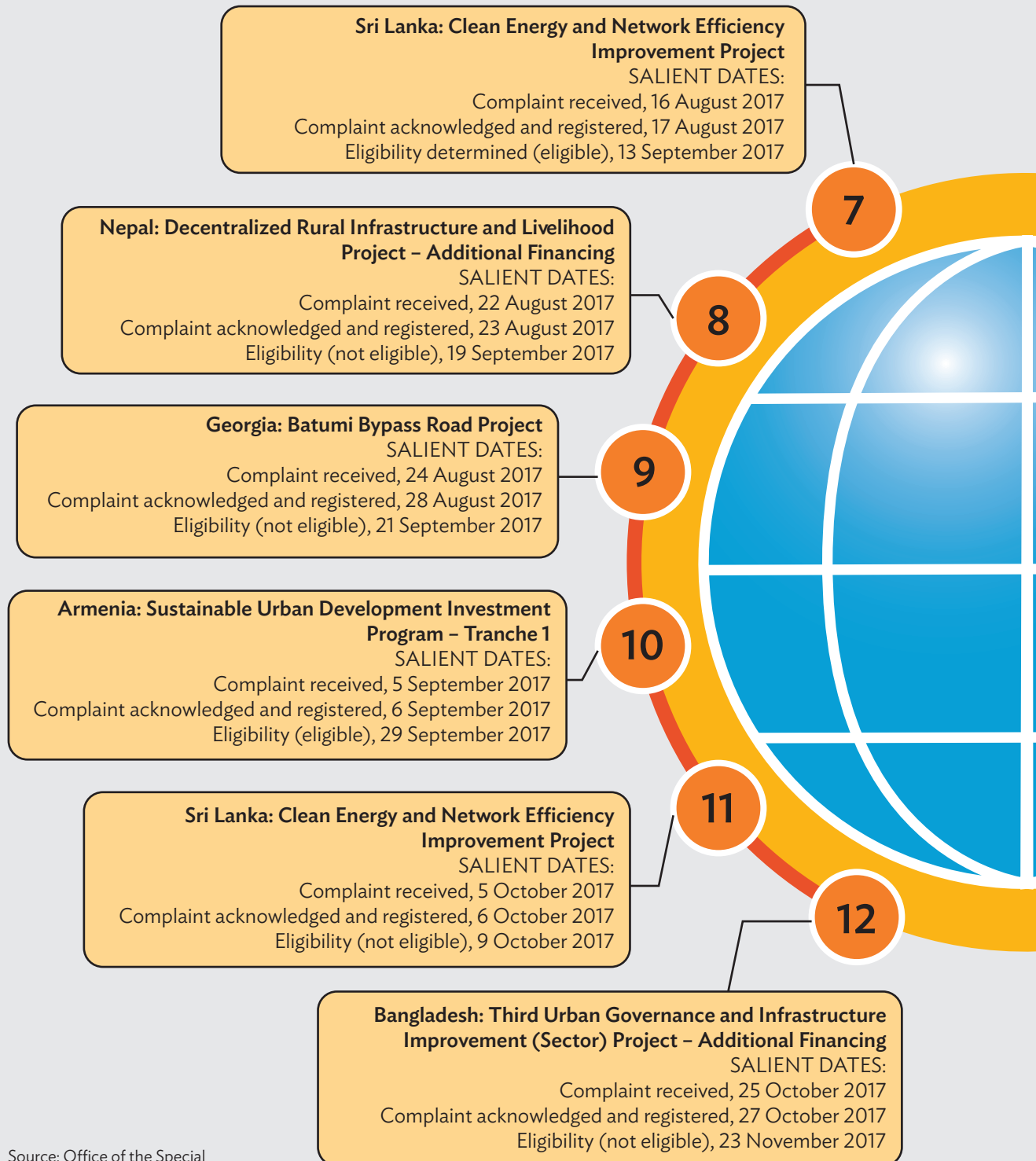
Looking forward, OSPF will continue to be responsive to complaints by bringing the complainants, clients, and ODs (particularly resident missions) together to achieve a mutually satisfactory resolution in a timely, effective, efficient manner. Further, on a demand-driven basis, a more substantial capacity development program for ADB

staff, government partners, other clients, and consultants will be rolled out with a view to developing a cadre of individuals in resident missions who can scale up such training for current and future clients due to an increasing portfolio in ADB's developing member countries across Asia and the Pacific.

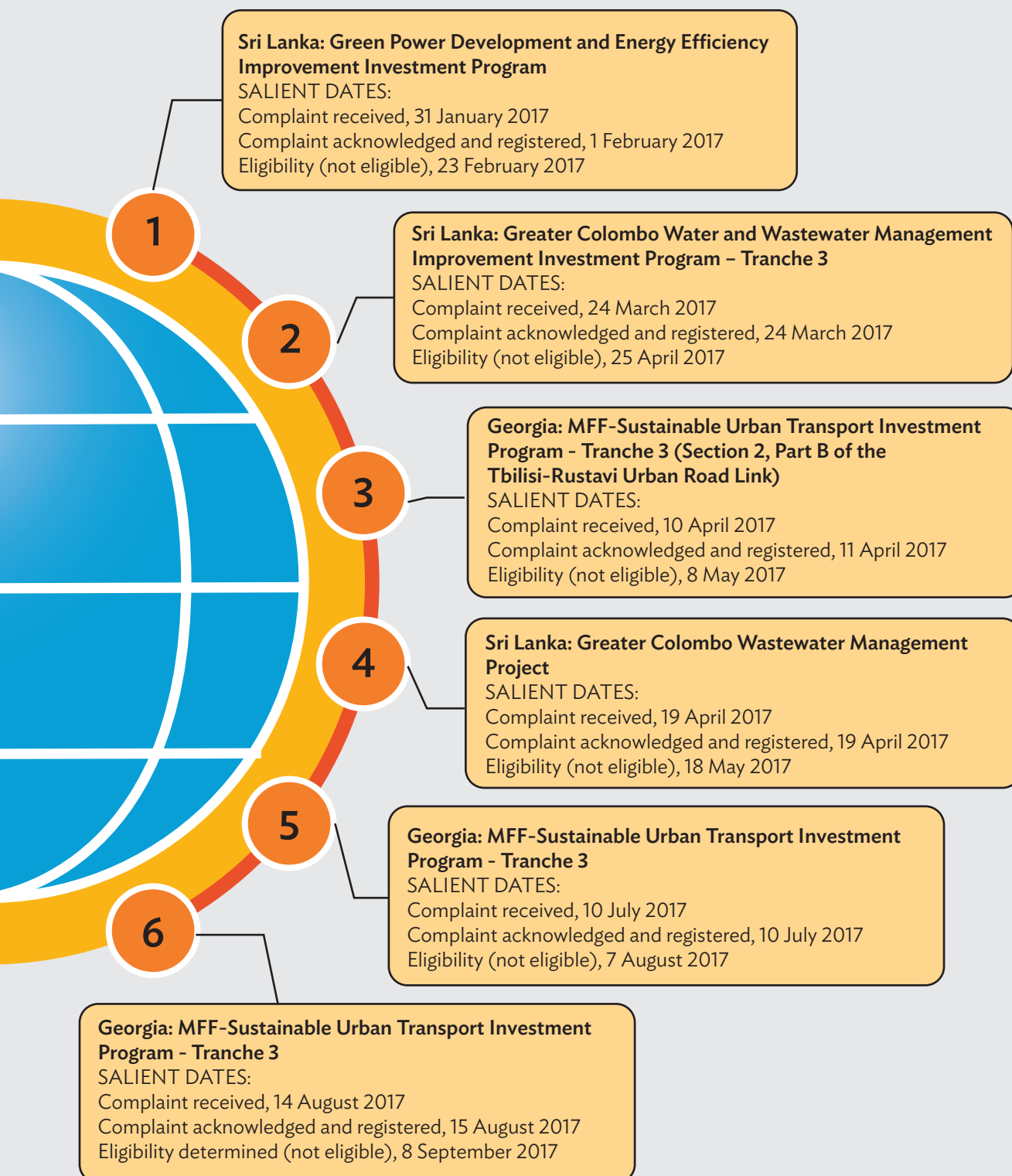


Warren Evans
Special Project Facilitator

2017 OSPF Complaints in Summary



Source: Office of the Special Project Facilitator.



Ongoing Complaints

Georgia: MFF-Sustainable Urban Transport Investment Program (SUTIP) – Tranche 3 (Loan 3063)

SUTIP is an Asian Development Bank (ADB)-financed project under a multitranche financing facility (MFF). It is aimed at promoting a sustainable, integrated, socially affordable, and cost-efficient urban transport system in cities of Georgia. The project components include upgrading the existing 17.1-kilometer (km), two-lane road between Tbilisi and Rustavi to an international standard, “Category I” highway, with four lanes and a general design speed of 120 km/hour. The third tranche of the program will construct a 6.8-km section of the Tbilisi-Rustavi Urban Road Link and undertake the second phase of Anaklia Coastal Improvement.

The Office of the Special Project Facilitator (OSPF) received a complaint from residents of a two-storey building along the Rustavi Highway in Ponichala on the Tbilisi-Rustavi highway, to be demolished for a road

construction component. They requested higher compensation than they had been offered, alleging that the amounts offered were inadequate to buy residential apartments in a location with similar community and amenities. The activities in the course of

SALIENT DATES

Complaint received, 28 April 2016

- English
- Georgian

Complaint acknowledged, 28 April 2016

Complaint registered, 28 April 2016
Eligibility determined (eligible), 20 May 2016
Summary of the Review and Assessment
Report, 28 September 2016

- English
- Georgian

COMPLAINT

Compensation and resettlement

Portion of the Tbilisi-Rustavi highway in Ponichala (photos by OSPF).



action on this complaint were completed in early 2017. A communication specialist was engaged to develop and implement the project's communication strategy, and a capacity-building workshop for executing and implementing agencies (EAs/IAs) on grievance redress mechanisms (GRMs) and problem-solving was conducted in June 2017.

The complaint raised issues similar to those of two compliance review complaints, and consequently this complaint was merged with those of the CRP which are described on pages 20–22.

Samoa: Promoting Economic Use of Customary Land (TAs 8481/7387) and SAM: Samoa Agribusiness Support Project

Technical assistance (TA) to the Independent State of Samoa: Promoting Economic Use of Customary Land, Phase II was approved on 5 December 2005, and Phase III on 23 November 2009. The purpose of the successive phases of the TA has been to assist the Government's efforts to encourage growth and jobs in Samoa by supporting greater investment through the use of leased customary land as collateral for financing. The Ministry of Finance is the EA, while the IAs are the Ministry of Natural Resources and Environment and the Ministry of Justice and Courts Administration.

OSPF received a complaint in September 2014 from four Samoan *matais*¹ concerned that the reforms being proposed by the TAs omitted meaningful consultation with the Samoan people. The reforms, according to the complainants, would individualize control and commercialize large tracts of customary land without appropriate mechanisms to ensure benefits flow to the landowners.

OSPF assisted in developing and implementing a consultation and

communication strategy, one of the three agreed-upon remedial actions. As of December 2017, consistent with OSPF recommendations, the Samoan Customary Land Advisory Committee had concluded 14 community consultations covering a total of 254 villages with about 1,600 participants (more than 1% of Samoa's adult population).

SALIENT DATES

Complaint received, 9 September 2014
 Complaint acknowledged and registered, 9 September 2014
 Eligibility determined (eligible), 29 September 2014
 Summary of the Review and Assessment Report, 24 March 2015
 Summary of the Problem-Solving Completion Report, 5 May 2016
 Monitoring Report, 9 February 2017

COMPLAINT

- Lack of consultation
- Use of customary land
- Inadequate environment and social due diligence
- Disclosure of documents

¹ *Matais* are Samoan chiefs responsible for maintaining the respect, traditions, and administration of the village (www.pasifeka.com).



Village-participants in one of the 14 consultation workshops conducted by the Samoan Customary Land Advisory Committee. A total of 254 villages were consulted by the end of 2017 (photos by OSPF).

Consultations were funded by ADB TA provided in line with OSPF recommendations.

Prior to the consultations, the Government also aired three radio talk shows and three television programs to further draw villagers' attention to the issues to be discussed in the consultations. OSPF joined as an observer in one of the consultations conducted in 2017. During the same mission, a training on problem-solving tools was conducted for all

ADB-assisted project IAs/EAs. Findings from this mission are recorded in the first Samoa Monitoring Report.²

A report on the consultations will be made publicly available once it has been reviewed by the Samoan Cabinet. The Government of Samoa introduced legislative reforms to Parliament in December 2017 to strengthen Constitutional protection against the alienation of customary land.

Sri Lanka: Clean Energy and Network Efficiency Improvement Project

The project aims to strengthen Sri Lanka's power transmission and distribution network efficiency, especially in the northern and eastern provinces, which used to be conflict areas. It aims to respond to Sri Lanka's longer term challenge to reduce its high dependence on costly fossil fuel energy and to support the development of clean energy.

OSPF received a complaint on this project in August 2017 from members of a community-based organization claiming that more than 50 houses with about 189

people would be affected by the Polpitiya Pannipiyiya 220-kilovolt transmission line being implemented by the Ceylon Electricity Board (CEB—the IA) passing through their village, Magamma. Per complainants, the transmission line was initially planned to go through the Niyadagala Katuwana and Mawatagama alignment, for which an environmental impact study was conducted in 2014. An alternative alignment, however, was proposed that goes above Uduwana junction and does not go through Magamma. Complainants alleged that the new path has

² <https://www.adb.org/sites/default/files/page/42458/sam-monitoring-report-9feb2017.pdf>

SALIENT DATES

Complaint received, 16 August 2017
 Complaint acknowledged and registered,
 17 August 2017
 Eligibility determined (eligible),
 13 September 2017

COMPLAINT

- Alignment of transmission line differs from the approved path
- No environmental study for the new alignment
- Use of complainants' property without legal permission for a newly proposed transmission alignment passing through complainants' community

no environmental study and the people have not been consulted. They also complained about alleged impacts of a transmission line on their health.

OSPF fielded a mission to Colombo from 23 to 30 October 2017 to review and assess the complaint. Discussions were held with complainants, the Sri Lanka Resident Mission (SLRM—the operations department [OD] concerned), CEB, the Central Environment Authority, and other stakeholders to get an in-depth understanding of the complaint's issues. Building on the work initiated by the South Asia Department's Office of the Director General (SAOD), the SPF's mission facilitated an agreement between

the complainants and CEB on a series of sequential initiatives commencing with new technical and safeguard studies of alternate routes including the three existing alignments between November 2017 and early 2018. Results of these studies will be presented in a multistakeholder consultation in 2018. OSPF has engaged a communication and consultation consultant to ensure that the complainants are well-informed and adequately consulted at every step of the way during this process.

The OSPF mission visited one project area where construction had been completed and the office of the Divisional Secretary at Yatiyantota to understand how project-related complaints are being managed through the project GRM. From the site visit and subsequent discussions, it is apparent that the project GRM is based on procedures for grievance redress under the Public Utility Commission of Sri Lanka Act. Grievances addressed in the system are not limited to project-related complaints but also cover other social and economic development issues in the villages. CEB and the Divisional Secretary expressed the need to establish an online complaint tracking system and for training to strengthen GRM implementers' skills in communication and participation. OSPF is working with SLRM and SAOD on possible collaboration including problem-solving capacity building.

Warren Evans, SPF, led the OSPF team during the review and assessment of the complaint. OSPF team seen here in a discussion with villagers and complainants showing towers constructed in the community along with markers of structures that will be affected by the transmission line (photos by OSPF).



Armenia: Sustainable Urban Development Investment Program (SUDIP)—Tranche 1

SUDIP is an ADB-financed project under an MFF. Tranche 1 was approved on 9 May 2011 for \$60 million, and Tranche 2 on 29 September 2015 for \$150 million. The project under Tranche 1 is divided into two subprojects. Subproject 2, a 3.7-km alignment, includes the widening of Arshakunyats Avenue, a new connection from Artashat Highway to Shirak Street, and the widening of the Artashat Highway to Noragavit 1st Street. The IA is the Municipality of Yerevan (YM). The project is classified as category A for involuntary resettlement, and a Land Acquisition and Resettlement Plan (LARP 3) was prepared and approved by ADB in May 2014 and by the Republic of Armenia Government in September 2014. The complainant's location is covered in LARP 3. LARP implementation started in 2014 and was finalized in July 2015. The commencement of construction works for subproject 2 was in September 2015, and operations began in December 2016.

In September 2017, OSPF received a complaint from one family about the impact of the construction and/or operation of the road on their residence. The complainant had initially expressed such concerns in October 2015 through letters to the Armenia Resident Mission (ARRM) and the project's GRM. However, mutual agreement on an appropriate resolution could not be reached in a timely manner.

An OSPF Review and Assessment Mission was fielded to Yerevan in October 2017, with discussions held with ARRM, representatives of the YM, and the complainants (including their lawyer).

An independent engineering study, undertaken at the request of ARRM, confirmed

SALIENT DATES

Complaint received, 5 September 2017
 Complaint acknowledged and registered, 6 September 2017
 Eligibility determined (eligible), 29 September 2017
 Final Report, 15 December 2017

COMPLAINT

- Impacts of road construction on complainant's property and people's safety
- Continuing noise and vibration impacts on complainant's property due to road operation
- Compensation

substantial damage to the complainants' property. The study served as the basis for a mutually satisfactory agreement between the complainants and YM. A legal agreement was signed between the two parties, and compensation was paid on 7 December 2017. The agreement provides for sufficient funding to repair all damage directly or indirectly caused by or worsened by the project's road construction. Rehabilitation work is to be completed no later than end-2018. ARRM will validate the completion of the rehabilitation works. The SPF submitted the Final Report to the President on 15 December 2017.

This case is a good example of how the Accountability Mechanism problem-solving function can work, that is, with appropriate and timely interventions by the SPF/OSPF to secure an agreement among key stakeholders and with subsequent implementation of actions led by the OD, in this case CWRD/ARRM.



Photos showing the distance of the house to the constructed road (photos by OSPF).

PENDING COMPLAINTS

In 2017, of the 12 complaints for consideration of eligibility, 5 were credible but deemed ineligible because insufficient effort had been made by the complainants to resolve the issue(s) by working with the concerned ADB OD before reaching out to OSPF. Issues were related to compensation and resettlement including lack of management of environmental impacts during construction. For such complaints, OSPF supports the OD to undertake measures to resolve the issues and monitors them until case closure. If complainants are not satisfied with efforts by the OD, they may resubmit their complaint to the SPF. OSPF will close this complaint on receipt of the OD's closure report.

OSPF Operational Support, Advisory Services, and In-Reach

Part from its core mandate to handle project complaints, OSPF is also tasked to provide support and advice to ODs on problem prevention and problem-solving. Two structured training programs have been developed to support this element of OSPF work—a 2-day GRM training and a 3-day problem-solving training program.

GRM training focuses on critical elements such as mandate, structure, and staffing. The modules cover roles and responsibilities including hands-on exercises on essential skills (communication and managing difficult

conversations) to effectively manage GRMs. The problem-solving training focuses on the RESOLVE³ approach—a systematic, structured, step-by-step process for solving problems. Training modules guide participants through the six phases of RESOLVE—from analyzing the problem and identifying its root causes, to identifying and implementing potential solutions using several tools and techniques.

In 2017, OSPF responded to requests of ODs and conducted the following capacity development initiatives:

³ RESOLVE refers to the six phases under the approach: RE – Review and Expound, S – Solicit, O – Observe, L – anaLyze options, V – improVe, and E – Evaluate. The RESOLVE Guidebook can be accessed through <https://www.adb.org/sites/default/files/institutional-document/180614/problem-solving-guidebook.pdf>

Problem-Solving Training, Samoa, 15–16 February 2017

Thirty-three Samoan EAs/IAs from all ADB-assisted projects attended OSPF's training on problem-solving. Participants appreciated the structural approach to problem-solving, going through a step-by-step process to find its

real cause and decide on a more appropriate course of action. Many suggested extending the training to other countries in the Pacific to better equip staff for handling complaints and doing it collaboratively.

Workshops on GRM, Myanmar, 27 February–8 March 2017

OSPF and the Southeast Asia Department (SERD) conducted a series of workshops for village- and district-level grievance redress committee (GRC) members of Hpa-An and Kawkareik districts. The workshops focused on improving GRC members' understanding of GRM procedures and building their skills in handling complaints. One outcome of this training is that GRMs for the Eindu-Kawkareik Road Improvement Project are

ready for implementation, with procedures in place and GRC members equipped to handle complaints. The team of trainers that were trained in 2017 are also equipped to carry out training themselves, as required. The training is part of a series of SERD-led initiatives assisting the project team to develop a project-specific GRM. OSPF's TA, which began in 2015, ended with this training of trainers in 2017.

Participants in their workshop groups in Samoa (photo by OSPF).



Maubin-Phyapon GRM Workshop, Myanmar, 13–14 March 2017

Due to an expressed request by SERD, OSPF assisted in designing a workshop for stakeholders to review the project GRM structure, members' roles and responsibilities, and procedures to broaden the GRM's scope and make it more functional. About 40 participants attended, including GRC members, contractors, engineers, and the project management unit. As next steps, the GRM structure will be revised, with procedures prepared. GRM booklets will also be prepared and shared with communities to alert them of the revised structure.



Grievance Redress Committee members training at the village level in Myanmar (photo by OSPF).

Seminar on CWRD's Achievements and Lesson to Track and Avoid Complaints, Manila, 16 March 2017

In 2012, OSPF, with Office of Information Systems and Technology and India Resident Mission, developed a prototype Project

Complaints Tracking (PCT) system as an internal tool for use by ADB headquarters operational departments and resident

CWRD's senior environment specialist Nurlan Djenchuraev presenting CWRD's Project Complaints Tracking system at the ADB headquarters (photos by OSPF).



missions to support management of day-to-day problem-solving. PCT systematically records and monitors complaints, maintains up-to-date information on the status of a complaint, and necessitates timely decisions.

CWRD has used the PCT for the last 6 years. CWRD's Office of the Director General - Portfolio, Results, Safeguards and Gender Unit's (CWOD-PSG) Nurlan Djenchuraev presented CWRD's lessons and achievements in using PCT at a seminar at ADB headquarters. To date, PCT has managed 140 CWRD complaints and has helped in monitoring, tracking, and documenting every

complaint from the time it is received until it is resolved or completed. The data stored have also been useful in extracting diagnostic information on complaint management by sector, country, and complaint-prone projects. While other departments may have their own complaint-handling tools, attendees agreed that PCT is a valuable tool that others can try to use. Discussions ensued on how OSPF, CWRD, and other units planning to develop a similar tool can learn and work together. A total of 39 headquarters staff (with nine resident mission staff through videoconferencing) attended the presentation.

Training on Project Management, Communication, Consultation, and Problem-Solving, Manila, 14–16 June

IAs from Armenia and Georgia participated in a workshop aimed at building their understanding of ADB's project cycle, new procurement framework, safeguards, the AM, grievance redress, consultation, and communication. The training for the 16 participants also addressed the increasing trend of grievances generated in CWRD projects over the past 3 years, with the majority coming from the two countries.

RESOLVE, a problem-solving tool developed by OSPF, was also discussed through group exercises and workshops to help participants manage their complaints more effectively. The training was a joint initiative by OSPF and CWOD-PSG. All participants came from two key IAs that are managing several current, high profile, involuntary resettlement category A projects.

Participants in the joint capacity-building program for key implementing agencies from Armenia and Georgia who are managing high profile and category A projects (photos by OSPF).



Joint Case Study on Loan 3013-VIE: Central Mekong Delta Region Connectivity Project

This project aims to improve connectivity in the Mekong Delta Region and to provide efficient access from Ho Chi Minh City to the Southern Coastal Region through construction of two cable-stayed bridges across the Mekong River and associated roads. With 224 hectares of land acquired, the project has a direct impact on nearly 7,700 people. The project GRM was established to address grievances, and was strengthened during project implementation, due to a large influx of complaints from almost 30% of the affected households. Sushma Kotagiri, Senior Facilitation Specialist, is leading this study. Together with Wilfredo Agliam, Associate Facilitation Coordinator, and Nitish Jha, OSPF consultant, a mission was fielded on 13–25 November 2017 to Viet Nam to analyze and document the various approaches adopted by the project and the lessons learned from complaint handling and problem-solving processes. The results will be documented as a joint knowledge product by OSPF and SERD's Viet Nam Resident Mission.

With 224 hectares of land acquired, the project has a direct impact on nearly 7,700 people.



Sushma Kotagiri, Senior Facilitation Specialist, led the OSPF team during the mission. OSPF team seen here in discussions with affected households in An Binh Commune, Dong Thap Province; Can Tho Commune People's Committee (CPC) Can Tho CPC Office, Can Tho City; and contractors and affected people in Thoi Thuan Ward, Can Tho City (photos by OSPF).

OSPF Financial Reporting

Excluding staff salaries and benefits, OSPF spent a total of \$218,155 in FY 2017. This is about 84% of the total allocated budget of \$259,600. As Table 1 shows, much of the expenditure was for staff consultants at \$110,909 and business travel at \$104,366. For administrative expenditures, \$2,807

was spent for translation and interpretation services. Table 2 shows where most of OSPF's operational expenses went. Processing complaints (\$104,403) and activities relative to OSPF's second mandate (\$103,288), providing generic support and advice to ODs, were the major items of expense in 2017.

Table 1: Expenses of OSPF in 2017

| No. | Accounts | 2017 Budget | Actual Expense | Actual Utilization (%) |
|-----|--|-------------|----------------|------------------------|
| 1 | Business Travel | 120,000 | 104,366 | 87 |
| 2 | Staff Consultants | 131,000 | 110,909 | 85 |
| 3 | Representation | 600 | 73 | 12 |
| 4 | Administrative Expenses (Translation Services & Directly Engaged Contractors) | 8,000 | 2,807 | 35 |
| | Total | 259,600 | 218,155 | 84 |

OSPF = Office of the Special Project Facilitator.

Source: Budget and Management Services Division 2017 Budget Utilization Report as of 31 December 2017.

Table 2: Budget Utilization Details of OSPF in 2017

| No. | OSPF Activities | Staff Travel | Consultants | Translation Services | Total |
|-----|--|--------------|-------------|----------------------|---------|
| 1 | Processing Complaints | 59,385 | 45,018 | | 104,403 |
| 2 | Operational Support and Advisory Services (Training on Problem-Solving and GRMs) | 37,830 | 62,651 | 2,807 | 103,288 |
| 3 | Outreach | 3,081 | | | 3,081 |
| 4 | Others | 4,070 | 3,240 | | 7,310 |
| | Total | 104,366 | 110,909 | 2,807 | 218,082 |

GRM = grievance redress mechanism, OSPF = Office of the Special Project Facilitator.

Source: Budget and Management Services Division 2017 Budget Utilization Report as of 31 December 2017.



Compliance Review

CRP mission visited the village near the Nenskra Hydropower Project in Georgia (photo by CRP/OCR).

Preface to CRP/OCRCP Report

Under the guidance of the Board Compliance Review Committee (BCRC), the Compliance Review Panel (CRP) and the Office of the Compliance Review Panel (OCRCP) actively pursued their core business of addressing complaints and doing outreach. The CRP appreciates the invaluable support of BCRC in reviewing and ensuring that CRP reports are within the bounds of the compliance review function of the Accountability Mechanism (AM), and that those reports reach the Asian Development Bank (ADB) Board of Directors in a timely manner. Further, the CRP also recognizes the important role BCRC played in influencing ADB Management to move forward and more quickly on some remedial actions that were not progressing as expected per Board-approved remedial action plans.

The CRP completed the compliance review for the Georgia Sustainable Urban Transport Investment Program–Tranche 3, for which a remedial action plan was formulated and submitted to the Board in June. Monitoring missions on the implementation of remedial action programs for the Cambodia Greater Mekong Subregion Rehabilitation of the Railway Project, the India Mundra Ultra Mega Power Project, and the Philippines Visayas Base-Load Power Development Project were conducted by the CRP to support its submission of annual project compliance monitoring reports to the Board. The CRP processed four new complaints, with the last submitted in December.

The CRP closely engaged with the independent accountability mechanisms (IAMs) of international financial institutions, including coordinating with the International Finance Corporation (of the World Bank

group) on a complaint on a cofinanced project. The CRP is collaborating within this network on good practices and/or issues on (i) remedial actions, (ii) outreach, (iii) IAMs and commercial institutions, and (iv) collaboration under cofinanced projects.

Aside from effectively supporting the CRP, OCRCP continued its active outreach and in-reach activities. Through outreach activities, OCRCP increased awareness among stakeholders about compliance review and its processes. By distilling lessons learned from compliance review cases and presenting these to the various stakeholders, including ADB staff and Management; affected peoples and nongovernment organizations/civil society organizations (NGOs/CSOs); and the borrowers, including private sector clients, OCRCP is making efforts to create awareness among ADB staff of issues related to noncompliance with ADB's policies and procedures, which, through appropriate due diligence, can and should be avoided.

Upon the request of stakeholders of the compliance review and taking off from the lessons of previous OCRCP technical assistance (TA) operations, small-scale TA 9289-REG: Preparation of Knowledge Products on Compliance Review, was developed and approved, with its major activities done in 2017. For this TA, OCRCP held brainstorming sessions in Bangladesh, and feedback sessions in Manila, Philippines; Azerbaijan; and Georgia relative to four guidebooks on compliance review. Now nearing finalization, the guidebooks cater to the information needs of (i) ADB staff and Management, (ii) governments, (iii) NGOs/CSOs, and (iv) private sector clients. To enhance the transparency and the efficiency of the


compliance review practice, this will make the different stakeholders under the compliance review process understand their roles easily at each step of the process. Launch of the guidebooks will be through an institutional event during ADB's Annual Meeting in May 2018.

OCRP has also processed TA 9466-REG: Strengthening Compliance Review and Accountability to Project-Affected Persons of Financial Intermediaries, which is supported by the Poverty Reduction and Regional Cooperation Fund of the People's Republic of China. This TA will focus on awareness raising and capacitating financial intermediaries, including government agencies involved or to be involved in ADB-assisted projects, on compliance review. It will provide for the exchange of ideas through regional workshops, compile experiences and good practices, and develop a knowledge product on compliance review and accountability for project-affected persons by financial intermediaries that sublend funds in ADB-assisted projects.

Another major effort by OCRP is to liaise closely with similar AMs of other institutions. OCRP spearheaded discussions on the

possibility of having a memorandum of understanding with the Independent Redress Mechanism of the Green Climate Fund. It is also assisting the Asian Infrastructure Investment Bank in drafting its AM policy.

Last but not the least, OCRP has also drafted, jointly with the Office of the Special Project Facilitator (OSPF), Guidelines for the Protection of Key Stakeholders during the Accountability Mechanism Process. These guidelines provide guidance to the CRP/OCRP, the Special Project Facilitator/OSPF, and the Complaint Receiving Officer for making best efforts to protect confidential information relating to complainants and other stakeholders to mitigate the risk of reprisals from any party in all stages of the AM processes.



Dingding Tang

Chair, Compliance Review Panel and concurrently
Head, Office of the Compliance Review Panel

Status of Compliance Reviews

Consistent with its mandate to address complaints of project-affected people, the Compliance Review Panel (CRP) completed its compliance review of an urban transport project in Georgia, acted

on four new complaints received in 2017, and continued the monitoring of remedial actions for three projects that previously went through compliance review.⁴

Completion of Compliance Review and Remedial Action Plan

Georgia: Sustainable Urban Transport Investment Program – Tranche 3

The CRP completed its report on this project after receiving two complaints about it. The first complaint, received in March 2016, was by 81 residents of a 9-storey building at 12-33 Block, and the second one, received in November 2016, was by 72 residents of a 5-storey building at 16 a/b, both at Rustavi Highway, Tbilisi, Georgia.

The complaints raised similar issues; thus, the CRP deemed the second complaint ineligible for another compliance review, as it could be consolidated with the first complaint and the findings of the compliance review of the first complaint can well be applied to the second.

On 13 February 2017, the CRP's Final Report on its compliance review of the project was submitted to the ADB Board of Directors. The report described noncompliance with environmental provisions of the Safeguard Policy Statement (SPS)⁵ relating to noise,

vibration impacts, project categorization, and assessment of ecological impacts on an international river, as well as inadequate consultation with vulnerable and disadvantaged project-affected persons. Specifically, the compliance review noted that the noise standards that were applied to the project were inconsistent with the requirements of the SPS and that additional noise mitigation measures were required to bring the project into compliance. Moreover, vibration impacts need reassessment, as some parameters assumed in the vibration impact studies must be verified. The impacts on the large annexes built by the residents must also be assessed to assure that buildings and annexes could withstand the vibration impacts during road construction and operation. Insufficient consultation with project-affected people, particularly vulnerable persons, was another important finding of the compliance review. The buildings affected by the road construction and operation house a significant number of vulnerable, and especially vision-impaired,

⁴ Asian Development Bank (ADB). 2012. *Accountability Mechanism Policy*. Manila and ADB. 2012. *Operations Manual Section on Accountability Mechanism* (OM Section L1: Bank Policies and Operational Procedures), issued on 24 May 2012. Manila.

⁵ ADB. 2009. *Safeguard Policy Statement*. Manila and its accompanying OM Section F1, issued on 1 October 2013 available at <https://www.adb.org/sites/default/files/institutional-document/32056/safeguard-policy-statement-june2009.pdf> and <https://www.adb.org/sites/default/files/institutional-document/31483/om-f1-20131001.pdf>

Loan Number: 3063

Country: Georgia
 Borrower: Government of Georgia
 Approval Date: 25 November 2013
 Closing Date: 31 December 2018
 Complaint Status: Compliance review completed and remedial actions under implementation

(Source: Project Data Sheet at <https://www.adb.org/projects/42414-043/main>)

The project is part of an overall investment program of the Government of Georgia, valued at \$1.1 billion, to be implemented in 2010–2020. Partial funding for this program was through an Asian Development Bank (ADB) loan using a multitranchise financing facility (MFF) with a maximum financing amount of \$300 million. The subject of the complaint is Subproject 1: Tbilisi-Rustavi Urban Road Link (section 2), which is one of the two components of Tranche 3 of the MFF.

people, who require targeted mitigation measures, as they are strongly affected by noise and vibration impacts.

The compliance review also noted the need for environmental baselines on the ecology of the river near which a significant portion of the road will be built and on flora and fauna along the alignment of the road. The compliance review found that the project should have been categorized as “A” for environmental impacts instead of “B” as assigned by ADB Management. Management proposed a remedial action plan to bring the project into compliance, which was considered by the Board on 30 June 2017. Implementation of remedial actions is ongoing.

The ADB Central and West Asia Department (CWRD), which is the operations department (OD) implementing the project, proceeded with the implementation of remedial actions in accordance with measures laid out in the remedial action plan. The CRP reviewed



top-bottom: Apartment building where the complainants in the second complaint live, and CRP discussing with project executing agency representatives during site visit (photos by CRP/OCR).

studies conducted and provided comments. Specifically, the CRP commented on the (i) Modeling of Road and Noise Barrier Construction-Related Vibration Impact on Residential Buildings in Ponichala, Tbilisi; (ii) Noise Modeling of Tbilisi-Rustavi Highway (Section 2); (iii) environmental impact assessment of the Mtkvari River; and (iv) terms of reference of the consultation processes for vulnerable people. The review of the studies confirmed the methodology used and soundness of conclusions of the studies. The CRP reiterated to CWRD the

need to share the results of the studies with the affected persons and emphasized the requirement of meaningful consultations on actions that would impact them, particularly the disabled and socioeconomically disadvantaged affected persons at the project

site. CWRD agreed with the borrower on mitigation measures on noise, on securing the buildings and ensuring that safety measures are in place during construction, and on conducting an extensive consultation process with vulnerable people.

Complaints Received in 2017

During the year, the CRP received four complaints, three of which were public sector projects that had already been approved by the Board and one being a private sector project that had yet to be approved by the Board. The complaints came from the People's Republic of China (PRC), Georgia, India, and Pakistan. Three of the four were deemed not within the jurisdiction of the compliance review function and were forwarded to the relevant OD. The last complaint filed went through the full eligibility determination.

Complaint No. 2017/1: People's Republic of China: Guangxi Southwestern Cities Development Project

The CRP received a request for compliance review on 16 February 2017 from an individual (identity withheld upon request) concerning land acquisition and environmental issues arising from stalled construction activities on the Fangchenggang component of this project.

Based on immediately available project documents, the Fangchenggang component will include the construction of (i) a 17.285 km road network, (ii) main and secondary sewers and drainage system in the Gongche Industrial Park, and (iii) Anfujiang Bridge with total length of 240 meters (m). Some construction works in Fangchenggang were delayed due to relocation issues, but a special review mission by ADB's People's Republic of China

site. CWRD agreed with the borrower on mitigation measures on noise, on securing the buildings and ensuring that safety measures are in place during construction, and on conducting an extensive consultation process with vulnerable people.

Loan Number: 2657

Country: People's Republic of China
 Borrower: Government of the People's Republic of China
 Approval Date: 26 July 2010
 Closing Date: 31 December 2018
 Complaint Status: Forwarded to East Asia Department (EARD) for its attention

(Source: Project Data Sheet at <https://www.adb.org/projects/42010-013/main>)

The project will support the urban development of three medium-sized cities in the southwestern part of the Guangxi Zhuang Autonomous Region (Guangxi), viz., Fangchenggang, Chongzuo, and Baise. The project will have six investment components in the project cities and one capacity development component. The investment components in each project city will be part of an overall city development program. The capacity development component will complement project-funded infrastructure development.

Resident Mission (PRCM) from 28 November to 2 December 2016 settled the major land acquisition and resettlement issue, thereby resulting in the resumption of works.

This complaint was forwarded to the CRP with incomplete details and with only one complainant. To be acceptable, complaints must be filed by at least two project-affected persons. Moreover, it is unclear whether the complainant is indeed a person who is directly, materially, and adversely affected by the project, as no physical address

in Fangchenggang City was provided. In December 2016, the Complaint Receiving Officer (CRO), with the help of an interpreter, tried to contact the complainant by telephone using the number indicated in the complaint form, but the person who received the call informed the CRO he did not know the complainant.

Notwithstanding the incomplete details of the complaint, OCRP staff met with the sector director and the officer in charge of the project to ensure that the issues raised in the complaint are investigated by the East Asia Department (EARD) and that a report on follow-up actions be submitted to the CRP. EARD took action and found that the issues were related to project implementation aspects of the project and not related to the AM.

Complaint No. 2017/2: India: Rajasthan Renewable Energy Transmission Investment Program – Tranche 2

On 27 June 2017, the CRP received a complainant on this project. The CRP conducted its initial assessment of the complaint and determined that it is not within the scope of the compliance review function.

The loans are part of Tranche 2 of an MFF whose target outcome is the achievement of a cleaner electricity mix with a more efficient and effective generation and transmission system in Rajasthan. Funding under Tranche 2 comprises two loans with \$238 million (Loan 3482) from ADB's ordinary capital resources and \$110 million (Loan 8312) from the Clean Technology Fund (an external fund administered by ADB). While the loans were approved on 5 December 2016, these had not yet been signed as of this writing.

The complainants alleged that the project will harm the environment by affecting the ecology and destroying major drinking

Loan Numbers: 3482 and 8312

Country: India
 Borrower: Government of India
 Approval Date: 5 December 2016
 Closing Date: 31 December 2021
 Complaint Status: Forwarded to South Asia Department for its attention

(Source: Project Data Sheet at <https://www.adb.org/projects/45224-004/main#project-overview>)

Tranche 2 will finance investments in (i) construction of 210 km of 765-kilovolt (kV) transmission line, 264 km of 400-kV transmission line, 240 km of 220-kV double circuit transmission line, 132 km of 132-kV transmission line, and optical ground wires to connect existing substations; and (ii) construction of eight substations, augmentation of transformers at two substations, and bay extensions at five substations. CO₂ reduction of 8,578,704 tons per annum will be an indirect benefit of this project, which will be achieved by transmitting renewable energy to be generated from Western Rajasthan.

water ponds in the desert and wildlife at the project site. For lack of good faith efforts to address their concerns to the relevant OD, the CRP informed the complainants that their complaint is not within the scope of the compliance review function. Since they requested that their identity be kept confidential, they were provided the name and contact details of the ADB project officer with whom they were advised to get in touch.

Complaint No. 2017/3: Pakistan: Power Distribution Enhancement Investment Program – Tranche 3

On 15 August 2017, a complaint was transmitted by the CRO to the CRP about this project, the third tranche of an MFF aimed at supporting the Power Distribution Enhancement Investment Program of the Government of Pakistan.

Loan Number: 2972

Country: Pakistan
 Borrower: Government of Pakistan
 Approval Date: 14 December 2012
 Closing Date: 30 June 2018
 Complaint Status: Forwarded to CWRD for its attention

(Source: Project Data Sheet at <https://www.adb.org/projects/38456-034/main#project-overview>)

Tranche 3 will include works on secondary transmission grids (STGs) and STG transmission lines. Project activities include augmentation or replacement of power transformers with higher capacity transformers; extension or addition of power transformers; conversion of existing 66-kV substations to 132-kV substations with enhanced transformation and current-carrying capacity; addition of a new 132-kV grid station; conversion of existing 66-kV transmission lines to 132-kV transmission lines; replacement of existing transmission lines to increase load-carrying capacity; and extension or addition of transmission lines.

The investment program was designed to provide grid-connected customers with an adequate and reliable electricity supply through (i) the improvement of power distribution infrastructure, (ii) enabling continued operation and maintenance per best international practices, and (iii) commercialization of the operation of power distribution companies. The Pakistan Electric Power Company was nominated by the Ministry of Water and Power to act as executing agency, with each power distribution company as implementing agency for work in its own area. The complaint refers to health and environmental issues at schools and residences where the works on the new 132-kV grid station along with the associated transmission line at DHA Phase VI (Barki) subproject will be implemented by the Lahore Electric Supply Company. The complainants requested that their identity be kept confidential.

In the CRP's initial assessment, the complaint was considered not within the mandate of the compliance review function. While the complaint has the essential details, (i) the complainants had not made prior efforts to have the complaint addressed by the OD concerned (CWRD), and (ii) one of the two complainants withdrew from involvement in the further processing of the complaint. Accordingly, the CRP forwarded this complaint to CWRD for it to address the issues raised in the complaint using an appropriate approach.

Complaint No. 2017/4: Georgia: Nenskra Hydropower Project

Represented by David Chipashvili and Manana Kochladze of the nongovernment organization (NGO) Green Alternative, a group of project-affected persons from Nakra and Chuberi villages, who requested that their identities not be disclosed, complained about the proposed hydropower project in Nenskra and Nakra valleys in the Samegrelo-Zemo Svaneti Region, Georgia, on 7 December 2017.

The complainants allege that they were denied participation in the decision-making process on a project that they believe will clearly and significantly impact their traditional social structures and impose environmental and social consequences. They claim that there was inadequate public consultation in relation to scoping of environmental and social impacts and mitigation measures. They claim that the project will result in important geological risks to their mountainous community; reduced environmental flows; and deforestation, which will cause landslides, mudflows, and groundwater impacts. They further claim health and security risks to the community, changes to the microclimate, impacts on biodiversity, and violations of traditional land user rights. The complaint also states that impacts of the associated facilities have not

Project No.: 49223-001

Country: Georgia
 Borrower: Joint Stock Company Nenskra Hydro
 (Private sector)
 Approval Date: Project has not yet been
 approved by the Board
 Complaint Status: Eligibility determination

(Source: Project Data Sheet at <https://www.adb.org/projects/49223-001/main#project-pds>)

The project involves the construction, operation, and maintenance of a conventional high head, reservoir-type hydropower plant with installed capacity of 280 megawatts (MW), located in the Nenskra and Nakra valleys of northwestern Georgia in the Samegrelo-Zemo Svaneti Region. The reservoir consists of a 130-m high asphalt-face rock-filled dam constructed on the upper Nenskra River, capable of storing up to 182 million cubic meters of water. A 15.1-kilometer (km) headrace tunnel will deliver hydrology from the dam to the powerhouse, which will consist of three 93 MW power units. In addition to the headrace tunnel, the project will include a 14.1-km transfer tunnel that will divert water from the nearby Nakra River.

been assessed. The complainants state that the project will result in very significant social impacts on the Svan society living at the project site.

As the complaint is well within the mandate of the compliance review function, the CRP proceeded to eligibility determination, with a planned mission to the project site in mid-January and submission of the eligibility report to the Board by February 2018. The CRP forwarded the complaint to ADB Management on 12 December 2017



A narrow portion of the Nenskra river valley (photo from <http://greenalt.org>).

with a request for a response by 16 January 2018. The CRP will complete its eligibility report⁶ for the project after considering Management's response; reviewing available project documents; and meeting with the complainants and their representatives, as well as with ADB project staff.

⁶ As of finalization of this annual report, the CRP had submitted its eligibility report to the Board with recommendation that a compliance review be authorized. After carefully considering the eligibility report of the CRP and Management's response, the Board Compliance Review Committee (BCRC) reported to the Board in a memorandum dated 23 February 2018 (Report of the BCRC), which recommends that the Board (i) should not authorize compliance review at this time, (ii) approve the approach described in paragraph 3 of the Report of the BCRC, and (iii) approve disclosure of the Report of the BCRC to the public in accordance with ADB's Public Communications Policy 2011. Subsequently, the Board decided to approve the recommendation of the BCRC. For details on the complaint, the CRP's report, and the Board decision, see <https://lnadbg4.adb.org/dir0035p.nsf/alldocs/JABM-ATX46V?OpenDocument>

Monitoring of Implementation of Board Decisions after Compliance Review

India: Mundra Ultra Mega Power Project

Throughout 2017, the CRP reviewed several studies required under the remedial action plan, including a study on air quality, assessments of thermal impacts from the CGPL power plant using satellite imagery, and a health baseline study. On 20–27 April 2017, the CRP undertook its second annual monitoring mission to India. The monitoring report noted important progress made in the implementation of a livelihood support program for the group of foot fishers impacted by the power plant. The monitoring report also noted that studies on ambient air quality and health status had been conducted. The report emphasized the need for additional monitoring of thermal impacts to gauge the extent to which warm water discharged from the power plant into the sea will affect marine biology and the livelihood of fisherfolk previously relying on fish catch. Based on this, the final group of foot fishers impacted by the plant could be determined, and impacts on biodiversity fully assessed. The monitoring report also noted that a medium-term developmental support program for the affected foot fishers still needs to be included in the livelihood support program to assure that they can realize an alternative to income forgone because of the project. Moreover, the report notes that

Loan Number: 2419

Country: India
 Borrower: Coastal Gujarat Power, Limited (CGPL)
 Approval Date: 17 April 2008
 Closing Date: 30 June 2015
 Complaint Status: Monitoring of remedial actions (Year 2)

Management's Action Plan:

These actions are geared toward achieving compliance with ADB's operational policies and procedures, mainly on environment and involuntary resettlement. The plan includes studies and preparatory actions to address the CRP's recommendations relating to disclosure of information and consultation; thermal discharge from the plant's outflow channel and impact on livelihood of fisherfolk; sludge; access restrictions; and ambient air quality.

Details of the Action Plan are at [http://compliance.adb.org/dir0035p.nsf/attachments/R44-15%20\(as%20posted%203%20July%202015\).pdf/\\$FILE/R44-15%20\(as%20posted%203%20July%202015\).pdf](http://compliance.adb.org/dir0035p.nsf/attachments/R44-15%20(as%20posted%203%20July%202015).pdf/$FILE/R44-15%20(as%20posted%203%20July%202015).pdf)

improved air quality monitoring must be done, and measures identified to improve air quality assessment under the remedial action plan. The monitoring report emphasizes the need to disclose the summaries of completed studies.

The CRP during project site visit at Tragadi bander fronting the CGPL power plant (photos by CRP/OCR).



Cambodia: Greater Mekong Subregion Rehabilitation of the Railway in Cambodia Project

The CRP had its third annual monitoring mission to the project on 24–29 September 2017. It met with about 100 affected persons including the complainants, NGOs, government officials, and ADB staff of the Cambodia Resident Mission. Resettlement sites visited include those in Phnom Penh, Poipet, and Battambang to ascertain whether the issues raised in the CRP’s second annual monitoring report had already been addressed. The CRP also met with the complainants and the NGO representing them, and with Credit Union Foundation Australia (CUFA), the NGO that was contracted by ADB to implement programs relating to the remedial actions.

Overall, the CRP found that very significant progress had been made in implementing the remedial actions. Progress had particularly been made in implementing compensation payments for people affected by the resettlement. Additional compensation had been paid to households whose properties were reduced to a size below the minimum space required. Moreover, payments had been made for additional inflation adjustments to the affected households in Phnom Penh. The CRP noted the concerns of households about the accessibility of the project GRM and asked ADB to verify that the GRM, as laid out in the project compensation contract, is accessible and effective. The

Loan Number: 2288 and 2602/Grant 0187 (Supplementary)

Country: Cambodia
 Borrower: Government of Cambodia
 Approval Date: 10 January 2007 (for 2288); 15 December 2009 (for 2602)
 Closing Date: 2288: 31 December 2015; 2602: 31 December 2015; Grant 0187: 31 March 2015
 Complaint Status: Monitoring of remedial actions (Year 3)

CRP Recommendations:

- Establish a compensation deficit payment scheme.
- Improve facilities at the resettlement sites.
- Improve the functioning of the grievance redress mechanism, to be reflected in a time-bound and verifiable action plan.
- Develop an appropriate program to build capacity for resettlement in the Inter-Ministerial Resettlement Committee, to be reflected in a time-bound and verifiable action plan.
- Establish a debt workout scheme to help highly indebted families repay their accumulated debts through a dedicated credit line and a debt workout facility.
- Implement the expanded income restoration program in a sustainable manner.

CRP found that living conditions at the resettlement sites had improved and noted increased satisfaction among the groups of families it met during its visits to Poipet, Phnom Penh, and Battambang. The CRP also found that Management’s efforts to innovatively strengthen the scope of the

left-right: Consultation meeting with project-affected people; with CUFA in Phnom Penh; and the water supply system at the Battambang resettlement site (photos by CRP/OCRCP).



Income Restoration Program were highly commendable and that important progress had been made in supporting people living at the two big resettlement sites (Phnom Penh and Poipet) in gaining access to employment. The support provided by CUFA in securing measures on income restoration and debt reduction at the Phnom Penh, Poipet, and Battambang resettlement sites appeared to be very appreciated by the families involved. The third CRP annual monitoring report welcomed significant progress in the implementation of the remedial action program and noted some outstanding measures still to be completed for (i) improvement of operation and maintenance of facilities at the resettlement sites, (ii) verification of accessibility to the GRM, and (iii) income restoration and the debt workout program.

Philippines: Visayas Base-Load Power Development Project

The CRP fielded a project site visit to Naga, Cebu, on 20–21 September 2017. As this was the CRP's fifth monitoring mission for the project, the mission met with KSPC officials, complainants and their representatives, and other project-affected persons to ascertain their views about the outcome of the compliance review and monitoring processes. The mission also visited the air quality monitoring equipment at the Naga City Hall compound and at the Naga City Sports Complex. To ascertain sustainability of operation of the equipment and understand how the Philippine Government will put the equipment to good use, the CRP also met with the Head of the Air Quality Monitoring Unit of the Environmental Management Bureau of the Department of Environment and Natural Resources at its head office in Quezon City. As the last CRP annual monitoring report to be submitted to the Board on the project, the report summarized the status of compliance of the project, its progress in implementing the remedial

Loan Number: 2612

Country: Philippines
 Borrower: KEPCO SPC Power Corporation (KSPC) (Private sector)
 Approval Date: 11 December 2009
 Closing Date: 27 December 2013
 Complaint Status: Monitoring of remedial actions (Year 5)

CRP Recommendations:

- Undertake a comprehensive air dispersion modeling study that includes the key pollution sources in the project's area of influence and validate its predictions with actual air emissions and ambient air quality monitoring data. Develop an action plan based on recommendations from the modeling study and emphasize the potential for continuous monitoring and recording of air emissions and ambient air quality.
- Undertake a comprehensive study on ash utilization at cement plants and the ready-to-mix concrete plant and implement plant-specific recommendations and environmental management plans (EMPs). In addition, prepare and implement EMPs for the existing ash ponds and historical ash disposal sites.
- Expand or complement the existing Multipartite Monitoring Team to ensure representation of all communities directly affected and all appropriate NGOs and to facilitate transparent and inclusive communication and grievance redress.
- Implement a community outreach program focusing on preventing negative health impacts from air, water, and noise pollution and potentially negative impacts from exposure to unprotected coal ash deposits.

Source: [\\$FILE/PHI%20FINAL%20REPORT%20FINAL%20APPROVED%20BY%20BOD.pdf](http://www.compliance.adb.org/dir0035p.nsf/attachments/PHI%20FINAL%20REPORT%20FINAL%20APPROVED%20BY%20BOD.pdf)

actions, and the lessons learned during the 5-year monitoring of the implementation of remedial actions by the CRP. Full compliance requires the completion of the air quality dispersion modeling study, which will be



left-right: KSPC power plant; air quality monitoring station in Naga City; and air quality monitoring equipment within the station in Naga City (photos by CRP/OCR).

the basis for the development of air-shed scenarios and subsequently developing an action plan to achieve the desired air-shed scenario in the area using these air quality data. There is a need to strengthen the avenues for information dissemination and public consultations leading to collaboration among the various project stakeholders on environmental and health aspects relating to the project.

Given the incomplete status of the air quality dispersion modeling study, the CRP will continue to monitor and report the progress of the remaining activities to the Board Compliance Review Committee (BCRC), based on the results of the study, as well as make quarterly progress reports, which will also be continuously submitted by the Private Sector Operations Department (PSOD) until all the recommendations are brought into full compliance.

In its fifth monitoring report to the Board, the CRP highlighted some important lessons learned:

- (i) ADB-funded projects should have appropriate baseline data established prior to project implementation. If the borrower does not have adequate data, the project should provide funding for data collection and consultancy services for the completion of a sound baseline study.

- (ii) If a project provides for expensive equipment that is expected to remain operational beyond the project time horizon, adequate provision for operation and maintenance needs to be made.
- (iii) Continuous monitoring of a project's environmental performance through a multi-stakeholder body is a good practice as was demonstrated in this project.
- (iv) ADB is encouraged to build into the project design cooperative approaches with public sector institutions, civil society institutions, and other services providers to address prevailing environmental, social, and health issues to which the project is only a small contributor.

Most of all, the experience of the CRP in this project underscored the importance of effective consultation and participation during project design and implementation to identify and address project impact and appropriate mitigation measures. At the earliest stage possible, it is important to involve affected persons and communities to better understand the potential impacts on them and to avoid those or tailor appropriate mitigation measures. Stakeholder involvement is equally important during project implementation and monitoring.

Outreach Activities of the CRP/OCRCP

In addition to consultations with counterparts and stakeholders, the CRP/OCRCP initiated two small-scale technical

assistance (SSTA) activities to strengthen compliance awareness and accountability.

Collaboration with Other Institutions

The CRP Chair and Advisor travelled to the PRC, Germany, India, the Republic of Korea, and Switzerland to confer with colleagues, meet with government officials, and plan joint activities.

2017 Asian Evaluation Week in Hangzhou, PRC

On 4 September 2017, Dingding Tang, Chair, CRP participated in the 2017 Asian

Evaluation Week as one of the panelists at the first plenary session of the event on environmental and social safeguards, chaired by Marvin Taylor, Director General, ADB's Independent Evaluation Department. During the panel discussion, Dingding Tang discussed the key mandates of ADB's AM, particularly the role of the CRP, and the lessons learned from previous compliance review cases. He highlighted the contribution of compliance review to the improvement of ADB's development effectiveness and to

The panelists during the session on environmental and social safeguards, 2017 Asian Evaluation Week in the People's Republic of China (photo by CRP/OCRCP).





CRP Chair and OCRP Advisor with Green Climate Fund officials and staff, GCF headquarters (photo by CRP/OCRP).



CRP Chair Dingding Tang meeting with NDB officials (photos by CRP/OCRP).



implementing safeguard policies, as well as capacity building of ADB developing member countries (DMCs) on safeguards and the implementation of such policies on financial projects funded by international financial institutions (IFIs) including ADB and the World Bank. This event was co-organized by ADB and the Government of the PRC. More than 200 participants from 20 countries and 10 international organizations participated.

Informal Consultation Meeting between the CRP and the New Development Bank (NDB) in Shanghai

By invitation of the Vice President of NDB Zhu Xian, CRP Chair Dingding Tang visited NDB on 5 September 2017 and held an informal consultation meeting on the practice of ADB's compliance review with senior staff of NDB, namely Srinivas Yanamandra, Chief of the Compliance Unit; Yury Surkov, Director General, Department of Project Policy and Implementation; Shaohua Wu, Director General, Department of Project Financing; and Roman Novozhilov, Chief Officer, Department of Policy and Project Implementation. During the meeting, Dingding Tang briefed NDB officials about ADB's AM, introduced the mandate of the CRP, and discussed the practice and key lessons learned from its compliance review cases. NDB staff also provided an update

on the development of its safeguard policies and on its planning for safeguard compliance management in its investment projects. Both the CRP and the Compliance Unit of NDB agreed to enhance such informal consultation and lesson sharing in the future. NDB senior staff who attended the meeting expressed that they will reconsider its institutional framework regarding safeguard compliance, particularly the mandate of the Compliance Unit.

Outreach in New Delhi

The Advisor, OCRP and Ajay Deshpande, part-time CRP member, attended a seminar organized by the National Green Tribunal (NGT) on 3–4 November 2017 and took the opportunity to meet with government officials to discuss probable cooperation with the Central Pollution Control Board (CPCB) and the Ministry of Environment and Forest on co-hosting the workshop in India under a proposed TA being processed for accessing the PRC Fund.

The seminar at the NGT is an annual event, wherein speakers from various countries participate, and senior members of India's cabinet address environmental issues in general.

The Chairman of CPCB and Private Secretary to the Minister of Environment and Forest and Climate Change showed interest in the

proposed workshop to exchange knowledge and experience among financial institutions on their AMs as well as preparation of a knowledge product.

Discussion with Green Climate Fund, Incheon

CRP Chair Dingding Tang and Munawar Alam, Advisor of the OCRP went to the Headquarters of the Green Climate Fund (GCF) and had discussions on 17 November 2017 with the Independent Redress Mechanism (IRM) and safeguards staff of GCF on its draft procedures and guidelines for its IRM. The proposed memorandum of understanding between ADB-AM/CRP and the IRM of GCF will be undertaken once the IRM has finalized its procedures and guidelines. Potential joint outreach or cooperative activities in the region in 2018 were also discussed.

Cooperation/Discussions with Ministry of Finance (MOF), PRC; Asian Infrastructure Investment Bank (AIIB); China Banking Regulatory Commission; and China Banking Association, Beijing

On 20 November 2017, the mission met with officials of MOF, PRC, along with representatives of the AIIB, World Bank, and International Finance Corporation

(IFC) redress mechanisms, to discuss their mechanisms' practices and lessons learned as well as future collaboration among the agencies on AMs. All the representatives shared the view that proper implementation of safeguards is essential to prevent not only financial and reputational risks, but to improve development effectiveness of the projects and to avoid stranded assets, in case of a project getting stopped due to complaints related to non-adherence with its policies. The mission also met with AIIB President Liqun Jin and had a brainstorming session with the AIIB staff who are formulating guidelines and procedures for its AM. The mission presented the lessons learned by ADB's AM and draft AM guidebooks for ADB staff to PRCM staff.

On 21 November 2017, the CRP Chair also participated as the key speaker in a brainstorming workshop on Overseas Environmental and Social Risks Management by Chinese Financial Institutions—Establishing Independent Compliance Mechanism. He provided updates on compliance supervision and accountability for officials of Chinese financial institutions together with representatives of World Bank, IFC, and AIIB. Officials of the China Banking Regulatory Commission, the Ministry of Environmental Protection, and China Banking Association in Beijing were present, along with a few NGOs.

left-right: AIIB President Liqun Jin with representatives from ADB, World Bank, and IFC, Beijing; brainstorming workshop on Overseas Environmental and Social Risks Management by Chinese Financial Institutions Establishing Independent Compliance Mechanism; and meeting with the Ministry of Finance, People's Republic of China (photos by CRP/OCRCP).





The participants, OCRP staff, and CRP members presenting during the AM outreach in Berlin (photos by CRP/OCRP).

UN Forum on Business and Human Rights, Geneva

The CRP Chair participated as a speaker at a session during the UN Forum on Business and Human Rights, held on 27–29 November 2017, entitled Independent Accountability Mechanisms as Forums to Achieve Effective Remedy. The session was organized by the Accountability Counsel, the Independent Accountability Mechanisms Network (IAMnet), the Centre for Research on Multinational Corporations, the Bank Information Center, and the Center for International Environmental Law as a panel discussion on accessing remedies for communities via IAMs. Arntraud Hartmann, part-time member of the CRP, and Munawar Alam, Advisor to OCRP, also participated. Panelists discussed challenges, lessons learned, and best practices throughout various stages of the AM process, with focus on before filing complaints, after filing complaints, and remedies. The major issue raised was the effectiveness of remedial actions, which representatives of organizations attending the event often found insufficient. NGOs also emphasized the need for complainants to be heard during the AM process. They particularly requested that complainants obtain the right to comment on draft compliance review reports and remedial actions. The importance of the independence of AMs and the need for easy access and expeditious handling of compliance review processes were emphasized.

Outreach in Berlin

The CRP Chair and the Advisor, OCRP presented and discussed the ADB AM on 30 November and 1 December 2017 with senior officials of the German Ministry of Development and Economic Cooperation. Separately, during the mission, a meeting co-hosted by the German Human Rights Institute, which was attended by NGOs and academics engaged in the topic of accountability of IFIs, was also convened. CRP part-time member Arntraud Hartmann facilitated the organization of this outreach in partnership with the German Institute for Human Rights. The CRP presented the scope and function of the AM and discussed issues raised by the participants, which included possible reform areas for the AM during a future review. The discussions in the Ministry and the NGO community centered on comparative aspects of the AMs of different multilateral development banks (MDBs), and on some project-specific aspects of ongoing compliance review and monitoring. Issues discussed were the effectiveness of remedial actions and the learning and systemic impacts of compliance reviews on ADB operations. The importance of the independence of the CRP as a fact-finding body of the Board was emphasized. Much of the effectiveness of the CRP rests on its independence in its assessment efforts. The timeliness of the ADB CRP in conducting eligibility and compliance reviews and monitoring of remedial actions was noted in the meetings.

Technical Assistance

Small-Scale Technical Assistance on Strengthening Policy Compliance Awareness for Good Governance and Development Effectiveness

This SSTA was designed by OCRP to address the need for information materials that are more focused on the needs of the major parties involved in a compliance review. The SSTA will fund the development of knowledge products and consultation and validation workshops for them. It will have as outputs guidebooks on the compliance review process for (i) ADB Management and staff, (ii) governments, (iii) ADB's private sector clients, and (iv) NGOs and CSOs; a brochure that will target mainly ADB project-affected persons; and a resource book that will provide more details and reference materials. The SSTA hopes to result in an improved understanding and appreciation among ADB's development partners of the ADB AM's compliance review processes as a tool to improve development effectiveness and accountability for project-affected persons.

The year 2017 saw the full implementation of the SSTA, kicking off with a participative brainstorming workshop in Dhaka on 17–18 July 2017 on the design and contents of the guidebooks. Around 60 participants from the ADB Bangladesh Resident Mission, project partners from government, and NGOs exchanged ideas on the contents and general look and feel of the guide booklets and brochure on compliance review during the sessions. A subsequent workshop on 5 October was held at ADB headquarters, wherein around 30 ADB safeguards staff and project leaders participated in enriching the guidebook for ADB staff. To ensure that the contents of the guidebooks will capture the variety of concerns and be relevant to varying country situations, back-to-back workshops were held in Tbilisi (from which

some complaints to the CRP came) and Baku (from which the CRP has not received any complaints yet) on 24 October and 26 October, respectively. In both, participants from government implementing agencies and ADB resident mission staff participated and commented on the guidebooks for government borrowers and ADB staff.

Funding Approval of SSTA on Strengthening Compliance Review and Accountability to Project-Affected Persons of Financial Intermediaries, Financed by the PRC: Poverty Reduction and Regional Cooperation Fund

OCRP prepared a TA paper entitled Strengthening Compliance Review and Accountability to Project-Affected Persons of Financial Intermediaries, which was approved on 14 December 2017 for funding from the PRC Poverty Reduction and Regional Cooperation Fund. The two outputs will be (i) conduct of compliance review, supervision, and accountability knowledge events; and (ii) ADB publication on good practices on compliance and accountability. Under the SSTA, it is planned to host three regional workshops in the PRC, India, and a Southeast Asian country in 2018. The SSTA was designed to increase the awareness of financial intermediaries about compliance review and compliance supervision of projects funded by ADB. The high-level, regional workshops will be participated in by bankers, government regulators, the IAMs of IFIs, and ADB staff (notably from the Sustainable Development and Climate Change Department and PSOD). To enable OCRP to achieve the objectives of this SSTA, (i) a knowledge product developer/writer and (ii) an outreach organizer and knowledge product coordinator are required.



Participants during the TA workshop held in Dhaka (photos by CRP/OCRCP).

CRP/OCRCP Financial Reporting

In 2017, OCRCP and the CRP spent a total of \$1,406,267. Of this amount, OCRCP accounted for \$704,799 (Table 3), while expenses incurred by the CRP accounted for \$701,468 (Table 4). Briefly, these expenses were mainly for the (i) completion of compliance review and eligibility of

the Georgia: Sustainable Urban Transport Investment Program – Tranche 3 complaints; (ii) monitoring of remedial actions for three projects; (iii) outreach activities, including networking meetings with other international organizations; and (iv) business travel for workshops relating to TA 9289.

Table 3: Expenses of OCRCP in 2017

| OCRCP Budget Item | 2017 Budget | Actual Expense (\$) |
|-------------------------|-------------|---------------------|
| Salaries and Benefits | 434,000 | 504,647 |
| Business Travel | 100,000 | 66,005 |
| Staff Consultants | 160,000 | 121,909 |
| Representation | 1,000 | 1,349 |
| Administrative Expenses | 14,000 | 10,889 |
| Total | 709,000 | 704,799 |

OCRCP = Office of the Compliance Review Panel.

Source: Budget and Management Services Division 2017 Budget Utilization Report as of 31 December 2017.

Table 4: Expenses of the CRP in 2017

| CRP Budget Item | 2017 Budget | Actual Expense (\$) |
|---|-------------|---------------------|
| Salaries, Benefits, and Other Professional Fees–CRP | 869,400 | 650,611 |
| Business Travel | 40,000 | 50,857 |
| Total | 909,400 | 701,468 |

CRP = Compliance Review Panel.

Note: Professional fees of part-time CRP members include travel expenses.

Source: Budget and Management Services Division 2017 Budget Utilization Report as of 31 December 2017.

Lessons Learned in 2017

Risks of Retaliation Against Complainants

In all complaints received by the CRP throughout 2017, the complainants requested that their identities be kept confidential. This differs from previous years, when only some of the complainants requested confidentiality. Complainants appear concerned that revealing their identities might lead to retaliation against them. Based on experiences of AMs of other MDBs, there is increasing concern among project-affected people that the submission of complaints to AMs can lead to retaliation. And there is evidence that retaliation against complainants of other IAMs has taken place.⁷ Incorporating good practices of other MDBs, OCRP with OSPF prepared guidelines against retaliation in 2017, which lay out principles on how people involved in the AM process can be protected and measures that should be taken during the AM process in case of evidence of threats of retaliation. The guidelines are expected to be finalized in early 2018. The CRP/OCRP takes the safety of complainants and others who are engaged in the AM process seriously and seeks to exercise

its mandate in a manner that maximizes its ability to respond appropriately to threats and instances of retaliation. However, there are limitations on the role of the CRP/OCRP, as it is not an enforcement mechanism and does not have any direct ability to physically protect complainants or otherwise safeguard people from possible consequences.

The CRP/OCRP also notes that guidelines against retaliation are needed for grievances addressed as part of the ADB operational processes. The CRP is only a mechanism of last resort. Grievances are to be addressed primarily as part of ADB's OD activities (see para. 142 (ii) of the AM policy). The CRP can accept complaints only after good faith efforts have been made to address concerns at the operational level. But people will present their complaints only if they do not fear reprisals or retaliation. Guidelines for the protection of affected people in case of complaints to project GRMs and to ADB's ODs also need to be considered.

Assessment of Environmental and Social Impacts

Cases reviewed and monitored in 2017 demonstrated the need for (i) active engagement of ADB staff in the review of the Environmental and Social Impact Assessment (ESIA) and guidance to the borrower on ADB safeguard requirements; (ii) appropriate environmental and social baselines to be

established early in the project preparation stage; and (iii) sufficient assessment of environmental and social impacts, including construction impacts, as part of the ESIA and not simply as a responsibility delegated to the construction contractor.

⁷ See Human Rights Watch, *At Your Own Risk, Reprisals against Critics of World Bank Group Projects*, 2015.

ADB safeguards require that ADB staff actively review the ESIA and guide the borrower in the application of the SPS. In the projects that were reviewed and monitored by the CRP in 2017, this had not always been the case, and insufficient guidance by ADB staff had resulted in noncompliance with ADB policies. Moreover, for a number of CRP cases no or inadequate social and environmental baseline data had been collected. Without such baselines, incremental project impacts cannot be assessed. Therefore, ADB staff

need to guide the borrower/client early during project preparation on the need for adequate baseline data collection and establishment. In addition to this, CRP cases show that environmental and social impacts are not always appropriately assessed. Important impact assessments and mitigation measures are instead delegated to the environmental and social management plan (ESMP) and/or the construction contractors. Construction-related impacts are often not assessed properly, which needs to be enhanced.

Project Grievance Redress Mechanisms

ADB safeguard policies require that project-level GRMs, which people can easily access to have their concerns addressed, be established. As part of operational processes, ADB staff need to guide affected people to present their concerns through the project GRM. Based on CRP compliance reviews and the monitoring of the implementation of remedial actions, complainants often argue that project GRMs are either not functioning properly or are not credible. Therefore, ADB staff should assure

during project design and supervision that project GRMs (i) are operational as described in project documents that were reviewed and approved by ADB; (ii) have the capacity to follow up on complaints; and (iii) are sufficiently transparent and accountable, so that affected persons feel comfortable in using them, thereby minimizing the number of the complaints that are escalated to ADB's ODs and ultimately to the last resort—ADB's AM.

Need for Operational Guidance on Safeguard Applications

In its eligibility determination and compliance reviews, the CRP assesses compliance with ADB policies and procedures. Most complaints center around potential noncompliance with ADB safeguard policies. The CRP notes that there are important ambiguities or misinterpretations in the wording of ADB safeguards, which result in often insufficient or inconsistent application

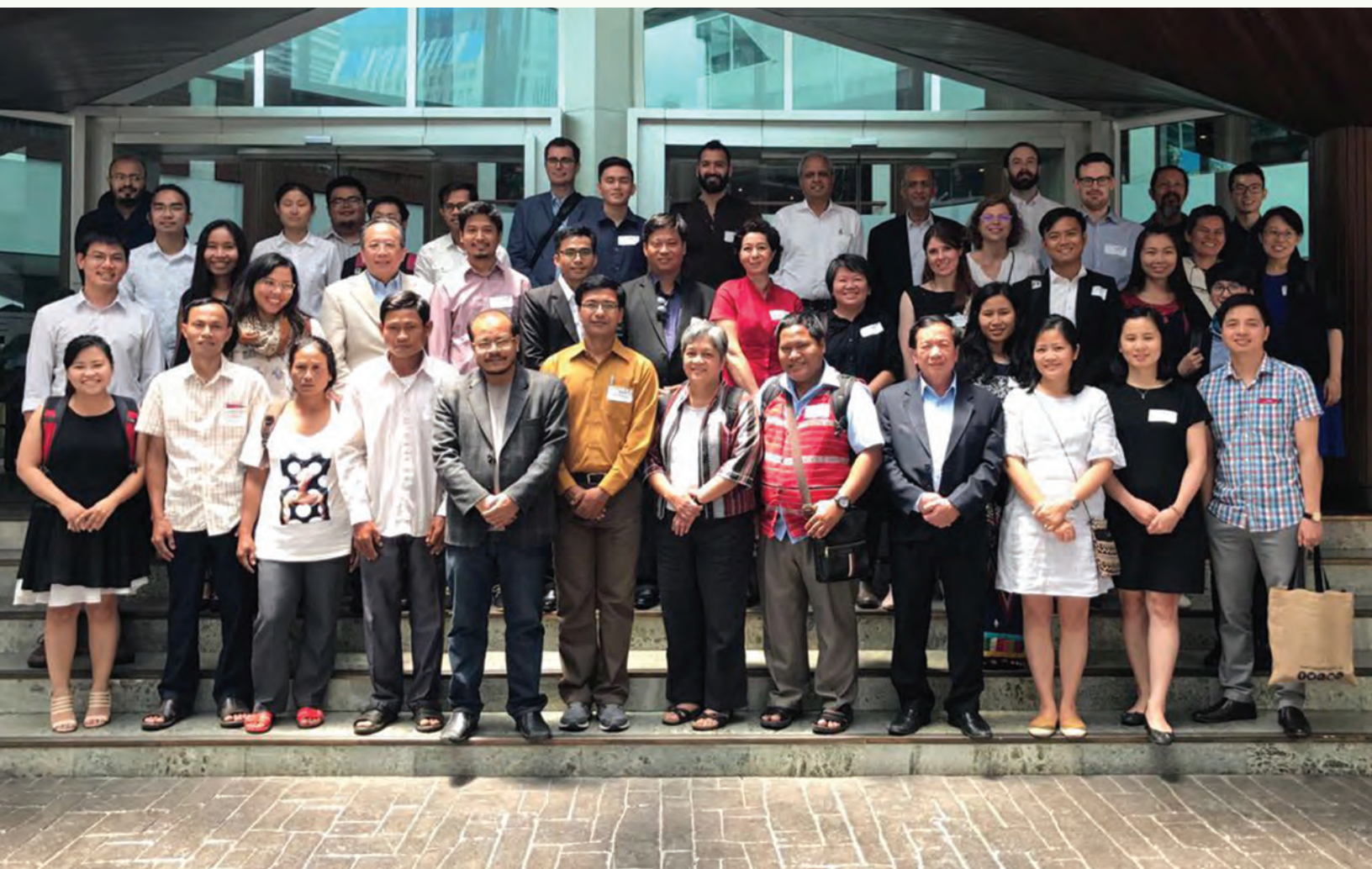
of ADB safeguard policies. These ambiguities or misinterpretations could be simply clarified by better guidance to operational staff on the application of these policies. Draft sourcebooks on good practices for Environmental Safeguards, Involuntary Resettlement, and Indigenous Peoples Safeguard exist⁸ but remain in draft status and appear somewhat outdated and descriptive.

⁸ See ADB, *Environmental Safeguards, A Good Practice Sourcebook Draft Working Document*, December 2012, *Indigenous Peoples Safeguards, A Planning and Implementation Good Practice Sourcebook, Draft Working Document*, Revised June 2013; *ADB Involuntary Resettlement Safeguard, A Planning and Implementation Good Practice Source – Draft Working Document*, November 2012

Required is more precise operational guidance to staff for the application of the SPS.

Key concerns noted by the CRP/OCRP in 2017 compliance reviews and monitoring are, among others: (i) clarification of what constitutes meaningful consultations, and clarification of criteria of environmental categorization, especially the meaning of what constitutes significant and irreversible impacts; (ii) the processes by which scoping for classification is conducted; (iii) lack of clarity in the criteria of what constitutes an indigenous people, especially whether

the vulnerability criteria need to be directly related to the fact that indigenous peoples are a distinct social and cultural group, or whether general vulnerability suffices; (iv) the extent to which environmental impacts of associated facilities need to be assessed as part of the ESIA; (v) the extent to which impact assessments and mitigation measures (especially construction-related impacts) can be delegated to an ESMP and a third party engaged as construction contractor; and (vi) appropriate disclosure measures such that affected people can reasonably have access to this understandable information.



Participants of the Asia Outreach to NGOs/CSOs in Bangkok (photo by CRP/OCRP).

SPF and the CRP/OCRP worked closely throughout the year to spread the word about the AM. Almost every month at least one joint presentation at ADB or in the

field was held (Figure 1). In total, around 848 stakeholders participated in these activities (Figure 2).

Figure 1: Monthly Breakdown of Joint Presentations

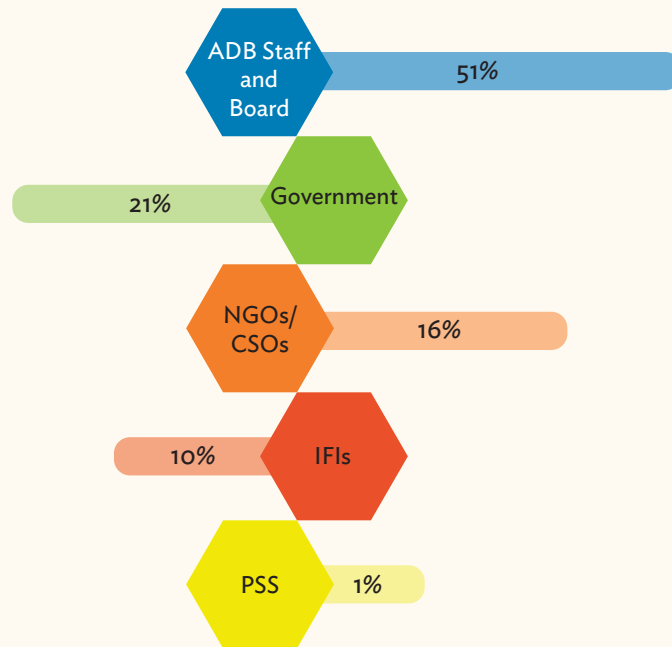


ADB=Asian Development Bank, CSO=civil society organization, EA=executing agency, IA=implementing agency, NGO=nongovernment organization.

Source: Office of the Special Project Facilitator.



Joint OSPF and OCCR Outreach and In-Reach

Figure 2: Percentage of Stakeholders Reached

ADB = Asian Development Bank, CSO = civil society organization, IFI = international financial institution, NGO = nongovernment organization, PSS = private sector sponsor.

Source: Office of the Special Project Facilitator.

Statistics of 2017 Admissible Complaints Received under the Accountability Mechanism

In 2017, the CRO received 16 admissible complaints under the AM, including one complaint that was received in October 2016 but was forwarded to the problem-solving function in February 2017.

Of these 16 complaints, upon request of the complainants, 12 complaints were forwarded to the SPF for problem-solving efforts, and 4 complaints were forwarded to the CRP for compliance review (Figure 3), but only 2 complaints in 2017 were deemed eligible due to various reasons.

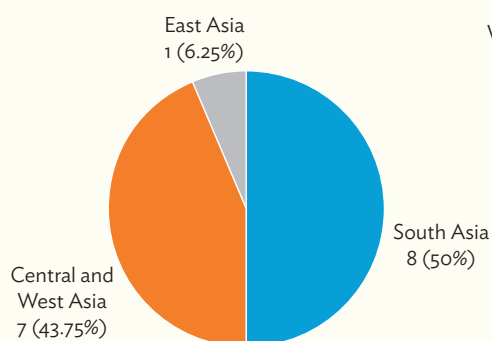
The 16 complaints relate to 13 ADB-assisted projects (Table 5), since 3 separate complaints were received under the Georgia Sustainable Urban Transport Investment

Program – Tranche 3 (Project No. 42414-043), and another 2 separate complaints were received under the Sri Lanka Clean Energy and Network Efficiency Improvement Project (Project No. 43576-013).

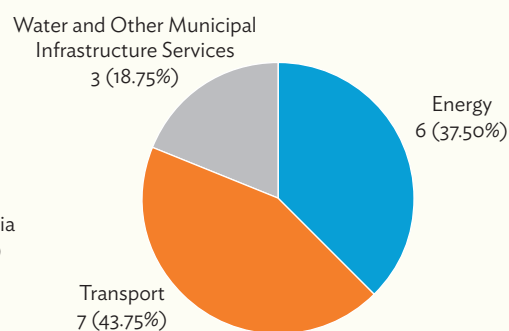
The number of complaints in 2017 saw an increase of 78% over 2016 in terms of total admissible complaints (Figure 4). The reasons for this increase may be attributed to (i) increased number of ADB projects; (ii) more sensitivity and complexity of the projects; (iii) project GRM not functioning properly; (iv) better access to information and improved technology, which makes it easier to file complaints; and (v) more active support from NGOs/CSOs.

Figure 3: Accountability Mechanism Complaints in 2017

Admissible Complaints Received by Region
SPF (12) and CRP (4)



Admissible Complaints Received by Sector
SPF (12) and CRP (4)



SPF=special project facilitator, CRP=Compliance Review Panel.

Source: Complaint Receiving Officer.

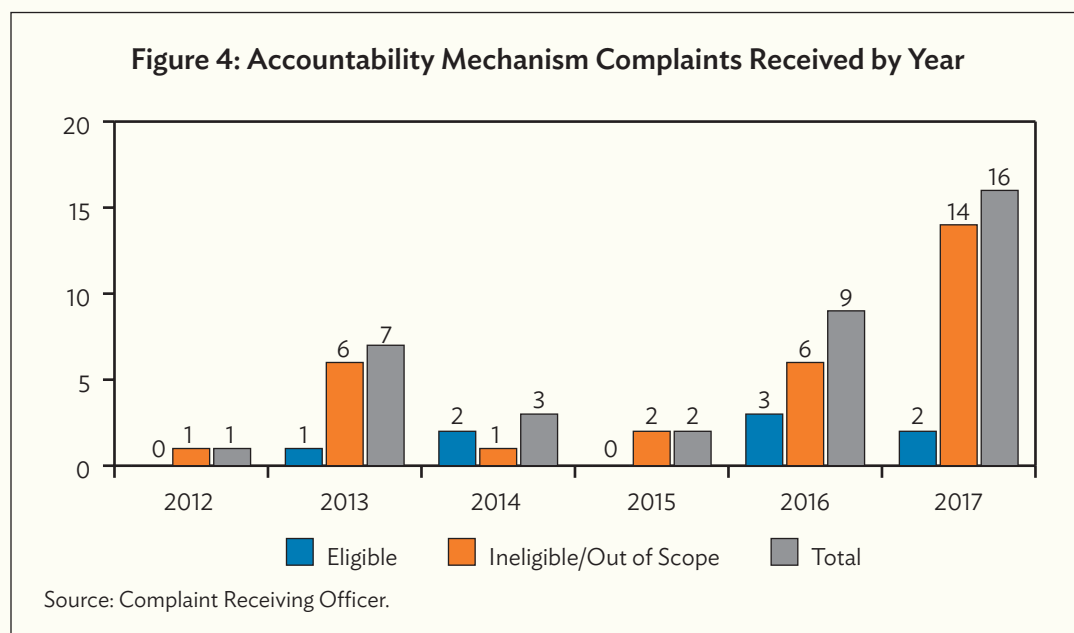


Table 5: Summary of Complaints Received by the CRO in 2017

| No. | Date Received by the CRO | Forwarded to | Country | Project | Concern/Issue | Status |
|-----|--|--|----------------------------|--|-----------------------------|---|
| 1 | 12 January 2017 | SPF (26 January 2017) | Sri Lanka | Green Power Development and Energy Efficiency Improvement Investment Program MFF and Tranche 1, Project Nos. 47037-003 to -004 | Environment | Ineligible due to lack of prior good faith efforts with operations department (SARD) |
| 2 | 27 October 2016 | CRP (16 February 2017) | People's Republic of China | Guangxi Southwestern Cities Development Project, Project No. 42010- 013 | Environment/ implementation | Ineligible due to lack of prior good faith efforts with operations department (EARD) |
| 3 | 11 March 2017 | SPF (24 March 2017) | Sri Lanka | Greater Colombo Water and Wastewater Management Improvement Investment Program- Tranche 3, Project No. 45148-008 | Compensation | Ineligible due to not being project-affected people |
| 4 | 11 June 2017, 28 June 2017, and 28 July 2017 | SPF, (10 April 2017, 10 July 2017, and 24 August 2017) | Georgia | Sustainable Urban Transport Investment Program-Tranche 3, Project No. 42414-043 (3 separate complaints under the same project) | Environment/ Compensation | Ineligible due to (i) matters already dealt with by CRP, and (ii) accepted compensation without contest |

continued on next page

Table 5 continued

| No. | Date Received by the CRO | Forwarded to | Country | Project | Concern/Issue | Status |
|-----|---------------------------------|---|------------|---|---------------------------------|--|
| 5 | 29 March 2017 | SPF (19 April 2017) | Sri Lanka | Greater Colombo Wastewater Management Project, Project No. 36173-013 | Compensation | Ineligible due to lack of prior good faith efforts with operations department (SARD) |
| 6 | 20 June 2017 | CRP (27 June 2017) | India | Rajasthan Renewable Energy Transmission Investment Program-Tranche 2, Project No. 45224-004 | Natural resources / Environment | Ineligible due to lack of prior good faith efforts with operations department (SARD) |
| 7 | 31 July 2017 | CRP (15 August 2017) | Pakistan | Power Distribution Enhancement Investment Program-Tranche 3, Project No. 38456-034 | Environment | Ineligible due to lack of prior efforts with operations department (CWRD) and withdrawal of the request by the complainant |
| 8 | 31 July 2017 and 25 August 2017 | SPF (16 August 2017 and 5 October 2017) | Sri Lanka | Clean Energy and Network Efficiency Improvement Project, Project No. 43576-013 (2 separate complaints under the same project) | Compensation | Eligible |
| 9 | 26 July 2017 | SPF (22 August 2017) | Nepal | Decentralized Rural Infrastructure and Livelihood Project-Additional Financing, Project No. 38426-023 | Compensation | Ineligible due to lack of prior good faith efforts with operations department (SARD) |
| 10 | 21 August 2017 | SPF (24 August 2017) | Georgia | Batumi Bypass Road Project, Project No. 50064-001 | Compensation/Land valuation | Ineligible due to lack of prior good faith efforts with operations department (CWRD) |
| 11 | 21 July 2017 | SPF (5 September 2017) | Armenia | Sustainable Urban Development Investment Program-Tranche 1, Project No. 42417-023 | Compensation | Eligible |
| 12 | 13 October 2017 | SPF (25 October 2017) | Bangladesh | Third Urban Governance and Infrastructure Improvement (Sector) Project- Additional Financing, Project No. 39295-038 | Compensation | Ineligible due to not being related to an ADB-financed project |
| 13 | 18 November 2017 | CRP (7 December 2017) | Georgia | Nenskra Hydropower Project, Project No. 49223- 001 | Environment | Eligible |

ADB=Asian Development Bank, CRO = complaint receiving officer, CRP=Compliance Review Panel, CWRD=Central and West Asia Department, EARD=East Asia Department, MFF=multitranchise financing facility, SARD=South Asia Department, SPF= special project facilitator.

Source: Complaint Receiving Officer.

BOARD COMPLIANCE REVIEW COMMITTEE



Mario Sander
Chair
(1 July 2015 to 31 June 2017)



Maurizio Ghirga
Chair
(1 July 2017 to 31 October 2017)



Helmut Fischer
Chair
(1 November 2017 to Present)

PRESENT MEMBERS



Anuar bin Ariffin
Member
(1 November 2017 to Present)



Paul Dominguez
Member
(1 July 2017 to Present)



Joar Strand
Member
(1 July 2017 to Present)



Mahbub Ahmed
Member
(1 November 2017 to Present)



Bobur Khodjaev
Member
(25 September 2017 to Present)

PAST MEMBERS



Kshatrapati Shivaji
(7 December 2016 to 30 June 2017)



Zhijun Cheng
(1 June 2017 to 30 June 2017)



David Murchison
(1 July 2015 to 30 June 2017)



Mario di Maio
(4 August 2015 to 30 June 2017)



Rokiah Badar
(16 July 2015 to 30 June 2017)



Syurkani Ishak Kasim
Member
(1 July 2017 to 31 October 2017)



Scott Dawson
(1 July 2017 to 31 October 2017)

COMPLIANCE REVIEW PANEL MEMBERS



Dingding Tang
Chair



Arntraud Hartmann
Member



Ajay Achyut Rao Deshpande
Member
(from 11 April 2017)

ADB ACCOUNTABILITY MECHANISM TEAM



First Row (left to right): Jojo Miranda, OCRP compliance review officer; Sushma Kotagiri, OSPF senior facilitation specialist; Dae Rubinos, former complaint receiving officer; Julie Mapilisan-Villanueva, OCRP associate compliance review coordinator; Lea Robidillo, OSPF senior consultation officer.

Second Row (left to right); Willie Agliam, OSPF associate facilitation coordinator; Munawar Alam, OCRP advisor; Warren Evans, special project facilitator; Dingding Tang, Chair, CRP and concurrently head, OCRP.

ADB Accountability Mechanism

Annual Report 2017

The two arms of the Accountability Mechanism of the Asian Development Bank (ADB)—the Office of the Special Project Facilitator (OSPF) and the Compliance Review Panel (CRP)/Office of the Compliance Review Panel—present their activities during 2017 in this joint annual report. OSPF fulfills a problem-solving function for those with complaints about ADB-funded projects. Of the 12 complaints received in 2017, two were found eligible and are undergoing resolution; in addition, two previous complaints were closed, and two continued the process. The CRP completed the compliance review and supported the formulation of a remedial action plan for one project, monitored the remedial action programs of three projects, and processed four new complaints. The two offices conducted outreach and in-reach activities to publicize their functions to stakeholders.

About the Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to a large share of the world's poor. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.



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