



# A GUIDEBOOK ON THE COMPLIANCE REVIEW FUNCTION OF ADB'S ACCOUNTABILITY MECHANISM

For Affected People, Nongovernment  
Organizations, and Civil Society Organizations

MAY 2019



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Note:

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On the cover: The compliance review process of ADB’s Accountability Mechanism involves various stakeholders including governments, private sector borrowers, project-affected people, nongovernment organizations, and civil society organizations (photos by ADB).

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# Preface

The **Asian Development Bank** (ADB) seeks to help reduce poverty and enhance the quality of life of the citizens of its developing member countries. ADB works toward this goal by promoting economic and social development through loans, grants, technical assistance, and equity investments.

As an institution focused on promoting inclusive and sustainable development, ADB strives to ensure that the projects it finances do not cause material harm to communities and people concerned, and do not have potentially harmful consequences, by adhering to ADB's operational policies and procedures, which are aligned with international standards and practices. This concern goes well with ADB's belief that development should be pursued sustainably, without unnecessary environmental degradation and involuntary resettlement—issues that hit the poor the hardest.

ADB is intent on ensuring compliance with its operational policies and procedures in the design, processing, and implementation of ADB-assisted projects, from preparation phase to operation. Well-developed audit, supervision, quality control, and evaluation systems avert most issues and deal with those that occur during project planning and implementation.

At the project level, a grievance redress mechanism enables people affected by ADB-assisted projects to seek relief for their concerns. Complaints brought to the attention of the relevant operations departments for problem solving and compliance efforts may also be addressed at that level. Complementing these systems is ADB's Accountability Mechanism, particularly its policy compliance review function, which is a grievance redress platform of last resort for affected people and communities. First established in 2003, the Accountability Mechanism was updated and improved in 2012, when the latest version of the Accountability Mechanism Policy was issued.

ADB's Accountability Mechanism has two functions: problem solving and compliance review. **This guidebook explains the compliance review function in detail.**

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This document is part of a series of four guidebooks prepared especially for ADB Management and staff, government, affected people and their representative or partner nongovernment organizations or civil society organizations, and private sector borrowers. These guidebooks are intended to aid comprehension of the compliance review function and its processes, particularly the roles of the various stakeholders. These guidebooks also serve as training materials for the outreach missions of the Office of the Compliance Review Panel.

This guidebook has been prepared especially for affected people and their representative or partner nongovernment organizations (NGOs) and civil society organizations (CSOs).

With the help of this guidebook, affected people and their partners in the nongovernment or civil society sector should gain a better understanding and appreciation of the compliance review function and their specific roles in the process. The partner NGOs and CSOs in particular should thus become better equipped to seek redress, on behalf of the affected people, for concerns arising during the planning and implementation of ADB-assisted projects that fail to meet the rigorous standards of ADB's policies.

This guidebook is meant to clarify the provisions of the Accountability Mechanism Policy 2012, and the actions that stakeholders should take under the policy. It does not replace the policy. **In case of discrepancies between this guidebook and the Accountability Mechanism Policy, the latter and its relevant operations manual section (Operations Manual L.1) should prevail.**

**Dingding Tang**

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



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# Acknowledgments

This guidebook was developed by the Office of the Compliance Review Panel (OCRCP) of the Asian Development Bank (ADB) with the support of Asia Society for Social Improvement and Sustainable Transformation (ASSIST). Its preparation was supervised by Munawar Alam, Advisor of the OCRCP; Josefina Miranda, Senior Compliance Review Officer; with the assistance of Julie Anne Mapilisan-Villanueva, Associate Compliance Review Coordinator. Dingding Tang, Chair of the Compliance Review Panel and concurrent Head of the OCRP, provided overall project guidance.

This guidebook benefited from feedback received during the workshops held by the OCRP in Baku (Azerbaijan), Dhaka (Bangladesh), Tbilisi (Georgia), Ulaanbaatar (Mongolia), Manila (Philippines), and Bangkok (Thailand). Various stakeholders, including representatives of governments and the private sector, civil society and nongovernment organizations, and ADB Management and staff, participated in the workshops. Peter King facilitated and Araceli Knaik organized the workshops in Baku, Bangkok, Dhaka, Manila, and Tbilisi. This guidebook was also strengthened by the contribution of Ajay Deshpande, part-time member of the Compliance Review Panel of ADB. Irum Ahsan, Senior Counsel, Office of the General Counsel, provided strong support and critical review of these documents.

ASSIST is a self-sustaining Pan-Asian nongovernment organization focused on social improvement and sustainable transformation through capacity building efforts and technical assistance in key sectors. The ASSIST team for this project was managed by Karthikeyan Subburaman (Regional Director), headed by Mary Anne Maglipon (Team Lead), and supervised by Adelaida Baltazar (Communications Specialist) and Geeta Keswani (Project Coordinator). The publication was produced by Kelvin Tee (Creative Director), Mark Christian Villena (Senior Writer), and Nicole Marie de Leon (Graphic Designer).

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# Abbreviations

<b>ADB</b>	Asian Development Bank
<b>BCRC</b>	Board Compliance Review Committee
<b>CRO</b>	complaint receiving officer
<b>CRP</b>	Compliance Review Panel
<b>CSO</b>	civil society organization
<b>DMC</b>	developing member country
<b>FAQ</b>	frequently asked question
<b>NGO</b>	nongovernment organization
<b>OCR</b>	Office of the Compliance Review Panel
<b>OGC</b>	Office of the General Counsel
<b>OSPF</b>	Office of the Special Project Facilitator
<b>OM</b>	Operations Manual
<b>SPF</b>	special project facilitator
<b>TOR</b>	terms of reference

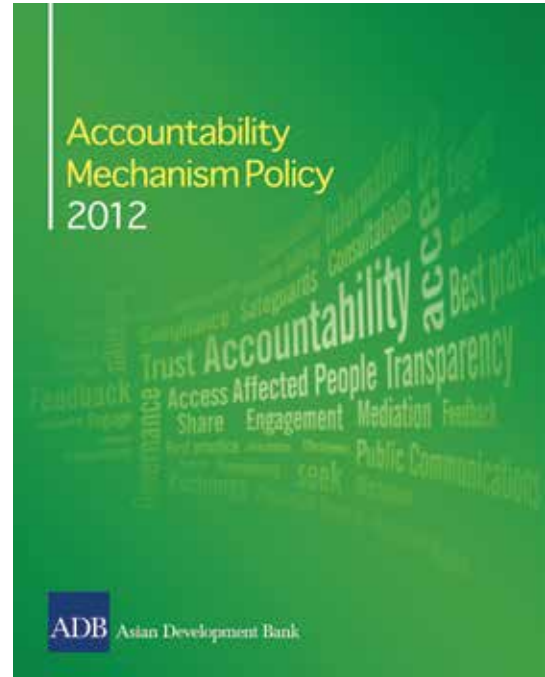
# Background

## THE ACCOUNTABILITY MECHANISM

The mission of the Asian Development Bank (ADB) is to reduce poverty in Asia and the Pacific through socioeconomic growth and cooperation. Protecting people from harm—an unintended consequence of the development projects ADB finances and a compounding factor in poverty—is also important to ADB. Clear operational policies and procedures, such as ADB’s Safeguard Policy Statement (2009), exist to protect communities and the environment, and must be followed by both government and private sector borrowers in project design and operation to have their projects approved by ADB.

Like other multilateral development institutions, ADB has a charter that grants it immunity from being sued in court, as protection from partiality and interference. But as ADB must also be held accountable for harm that could ensue from its lapses in having its operational policies and procedures enforced in borrowers’ projects, the Accountability Mechanism<sup>1</sup> was instituted, alongside redress mechanisms already in place. The Accountability Mechanism provides a balance to ADB’s immunity from suit, by giving people affected by ADB-assisted projects the ultimate recourse for expressing their complaints and have them addressed, if solutions are not reached at the basic stages of redress.

An effective accountability mechanism ensures compliance with ADB’s operational policies and procedures. It complements the existing grievance redress mechanism at the project level, and problem solving and compliance efforts at the operations department level.



The Accountability Mechanism is designed to make ADB’s development initiatives more effective and continually improve the quality of ADB’s projects by being responsive to the concerns of project-affected people and fair to all project stakeholders. Its fundamental objective is to address the concerns of stakeholders who are directly affected by ADB projects—the project-affected communities.

To be an efficient and cost-effective tool, the Accountability Mechanism reflects the highest professional and technical standards in staffing and operations while maintaining independence and transparency in its processes. Its processes are, for the most part, time-bound, to ensure the timely implementation of appropriate solutions.

<sup>1</sup>ADB. 2012. *Accountability Mechanism Policy 2012*. Manila. <https://www.adb.org/documents/accountability-mechanism-policy-2012>.


The Accountability Mechanism offers two approaches:

- (i) Problem solving.** This function seeks to address complaints involving at least two persons who are directly affected or likely to be affected by any aspect of an ADB-assisted project. It is pursued through a range of informal and flexible methods intended to build consensus and negotiate a solution to the problem. Actions for problem solving are directed to the Office of the Special Project Facilitator (OSPF).
- (ii) Compliance review.** This function investigates alleged noncompliance with ADB's operational policies and procedures that has resulted in, or is likely to result in, direct, adverse, and material harm to people affected by an ADB-assisted project. Requests for compliance review are directed to the Compliance Review Panel (CRP).

The compliance review process consists of 10 steps:

- (i) requesting Management response,
- (ii) determining eligibility,
- (iii) Board authorization of compliance review,
- (iv) conducting compliance review,
- (v) compliance review panel's draft report,
- (vi) compliance review panel's final report,
- (vii) Board consideration of the compliance review panel report,
- (viii) Management's remedial actions,
- (ix) Board's decision, and
- (x) monitoring and conclusion.

**This guidebook deals specifically with the compliance review function, and guides affected people and their representative nongovernment organizations (NGOs) and civil society organization (CSOs) in carrying out their role in the compliance review process.**

 [The Accountability Mechanism Policy 2012 \(paras. 103–107\)](#) provides more details about the background of ADB's Accountability Mechanism.

## THE COMPLIANCE REVIEW PROCESS AND HOW IT DIFFERS FROM PROBLEM SOLVING

Compliance review is triggered by a complaint regarding noncompliance with ADB's operational policies and procedures as a probable cause of harm. The problem solving function, on the other hand, can be triggered by any complaint of adverse effects of an ADB-assisted project, without regard to any issues of noncompliance. In other words, the assertion that ADB's operational policies and procedures were not followed need not be made in a complaint filed for problem solving, **but such an assertion linking noncompliance with the harm caused is the fundamental qualifying aspect** of a request for compliance review.

As a means of redress of last resort, the compliance review function of the Accountability Mechanism provides **an independent forum** for people with a legitimate claim of being adversely affected by ADB-assisted projects to voice their concerns and to get help in addressing the issues they have identified. It results in **Board-approved remedial actions** intended to correct the alleged noncompliance with ADB's operational policies and procedures and restore compliance. The remedial action benefits all affected people, regardless of whether they were a party to the complaint or not. In comparison, problem solving is more often focused on solving only the concerns of the specific complainants, although, in some cases, remedial action from problem solving may also benefit the wider community.

Compliance review also has a systemic function beyond solving a particular issue in a particular ADB-assisted project. Through its analysis of the design and operational decisions that led to claims of noncompliance as the likely cause of harm, it serves as an internal governance and learning mechanism, making it possible for ADB to improve project design and implementation in the future.


Compliance review, therefore, has the following objectives:

- (i) help affected people seek recourse for their concerns over harm caused or likely to be caused by an ADB-assisted project,
- (ii) address issues of noncompliance that resulted or could result in such harm, and
- (iii) improve development effectiveness and reinforce compliance with ADB's operational policies and procedures.

Compliance review is a corrective measure aimed at addressing issues that may arise from noncompliance with ADB's operational policies and procedures in ADB-assisted projects. It is not a judicial mechanism presided over by an adjudicatory body, and is unrelated to national legal systems and international courts. It does not result in judicial remedies such as injunctions or monetary damages; rather, it leads to practicable solutions, which must be approved by the ADB Board of Directors (or Board) and accepted by the project owner before they can be implemented.

**A compliance review does not inquire into the borrowing country, its executing and implementing agencies, nor the private sector client. Its focus is on how well ADB has exacted compliance with its operational policies and procedures by all parties to the project.**

This guidebook seeks to clarify the role of affected people and the NGOs and CSOs that represent their interests in a compliance review. The support of NGOs and CSOs as facilitators in the compliance review process, as well as the proactive participation of the affected people, is critical to the success of the entire Accountability Mechanism process, and not only of the compliance review.

 [The Accountability Mechanism Policy 2012 \(paras. 126–127, 129–130, and 141–149\)](#) provides further information about the distinction between problem solving and compliance review.

## ADDRESSING COMPLAINTS IN ADB-ASSISTED PROJECTS

Affected people alleging that an ADB-assisted project has caused them material or direct harm may seek redress through ADB's well-established grievance redress mechanisms (see flowchart in Figure 1).

Resolution at the project level; or through the problem solving and compliance efforts at the operations department level, is recommended as a more immediate way of dealing with a complaint as compared to compliance review. But these primary means of seeking redress are only best-practice suggestions and should not be seen as a precondition for access to the Accountability Mechanism.

**ADB does not bar affected people from seeking redress by directly filing a complaint through the Accountability Mechanism. They may choose between the problem solving and compliance review options available to them under this mechanism.**

These ADB redress mechanisms (available at project-level and operations department level), including the Accountability Mechanism, do not supplant other grievance redress mechanisms available in developing member countries (DMCs), which may include project-specific methods or legal remedies (such as courts or paralegal bodies) for the complainants' concerns. The filing of a complaint in ADB's systems should not preclude concurrent efforts to seek redress through government institutions or mechanisms, as the scope and goals of each institution's instruments are different.

ADB has several mechanisms already in place to address complaints. The first venue where concerns of project-affected persons are expected to be raised and attended to is at the project-level grievance redress mechanism.

Should concerns remain unresolved, complaints may be elevated to the operations department level, where problem solving and compliance efforts may address these particular concerns. The recommendation for project-level grievance redress or the requirement for operations department to address the complaint, however, should not be seen as a precondition for access to the Accountability Mechanism.

Should affected people remain unsatisfied with the proposed solutions after seeking recourse through those means, they

may file a complaint under the Accountability Mechanism. ADB's Accountability Mechanism has two options available to the complainants: problem solving or compliance review. This is a critical decision that complainants must make.

Should affected people encounter challenges in filing complaints, they may approach NGOs or CSOs for assistance and representation. On behalf of the affected people, these organizations may properly articulate their complaints, and further on, see to it that the proposed remedial actions are fully implemented.

**The compliance review function of ADB's Accountability Mechanism is the sole focus of this guidebook. General information about the Accountability Mechanism and its problem solving function can be found on the ADB web page for the Accountability Mechanism, [www.adb.org/site/accountability-mechanism/main](http://www.adb.org/site/accountability-mechanism/main).**


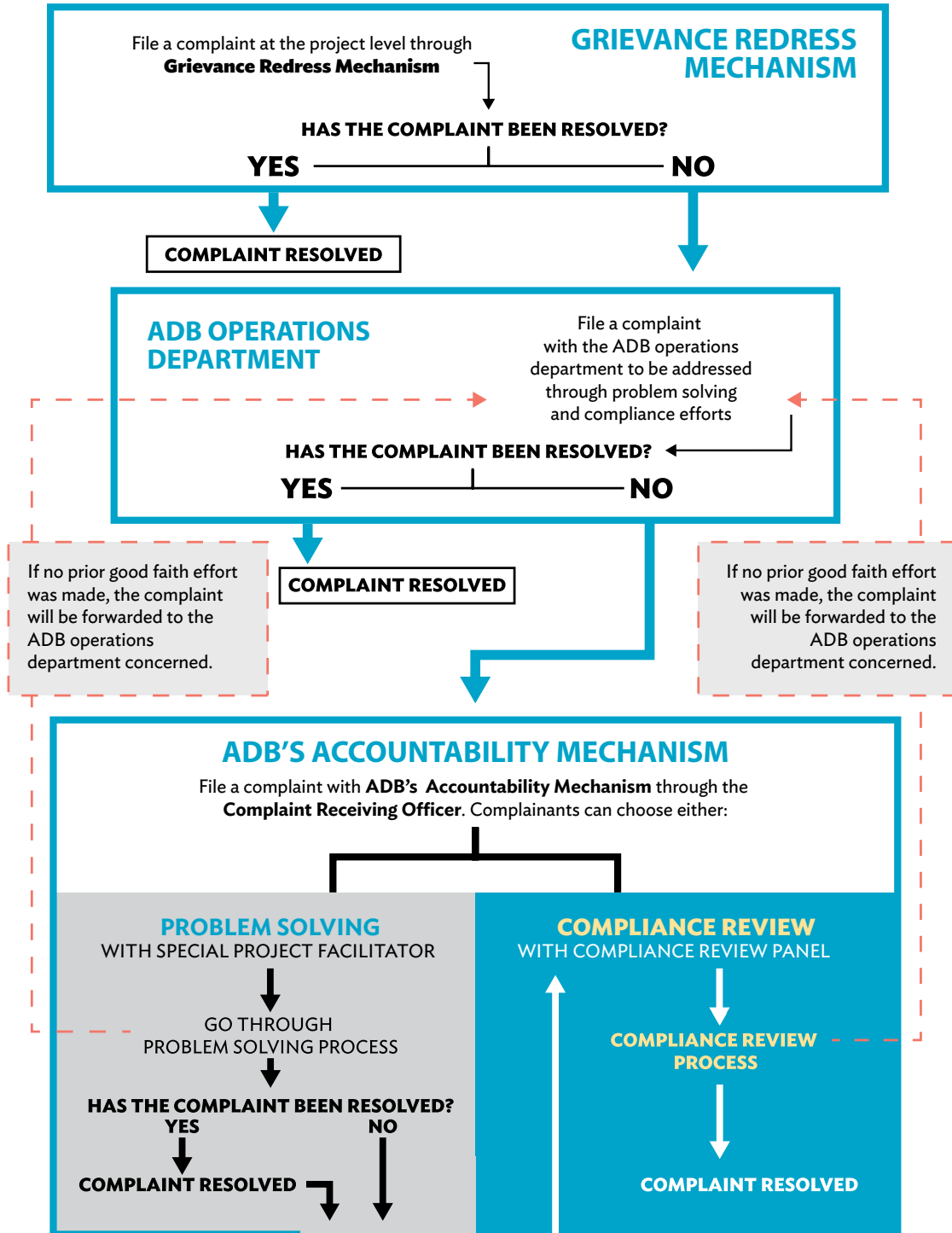
 The Frequently Asked Questions (FAQs) section of this guidebook (specifically questions 7–25) provides more information about filing a complaint with the Accountability Mechanism.

Figure 1: Typical Complaint Resolution Flowchart for ADB-Assisted Projects



Complainants may request a compliance review if there are still concerns over noncompliance with ADB's policies. A new complaint must be filed with the complaint receiving officer.

# Roles in the Compliance Review


## AFFECTED PEOPLE

Whenever ADB funds projects, it assigns paramount importance to the welfare of people affected by those projects. This is why ADB makes sure that information about the Accountability Mechanism is disclosed to project-affected people to allow them to express their project-related concerns and have these complaints resolved.

In the context of a compliance review, the term “affected people” refers to an aggregation of two or more individuals whose person or property was directly and materially harmed in the formulation, processing, or implementation of an ADB-assisted project; or would potentially be harmed if a proposed ADB-assisted project were to continue. When filing a complaint under ADB’s Accountability Mechanism (or the project-level grievance redress mechanism, or problem solving at the operations department level), the people affected by an ADB-assisted project are referred to as the “complainants.”

In this guidebook, the term “affected people” includes the complainants and the other people in the surrounding community who are affected by the conditions described in the complaint (but are not initially or necessarily a party to the complaint) and may benefit from remedial actions resulting from a compliance review.

If the affected people find it difficult to file a formal complaint, they are advised to coordinate with nongovernment organizations<sup>2</sup> (NGOs) or civil society organizations<sup>3</sup> (CSOs) in their area for representation and assistance, or to seek nonlocal representation in exceptional cases.

 The Accountability Mechanism Policy 2012 (para. 138) provides further information about the affected people’s role in the compliance review process.

## NONGOVERNMENT ORGANIZATIONS AND CIVIL SOCIETY ORGANIZATIONS

People adversely affected by an ADB-assisted project may approach NGOs or CSOs to represent their interests and facilitate the filing of a complaint under ADB’s Accountability Mechanism. Affected people who have already filed a complaint may also approach an NGO or a CSO to represent their interests in the advancement of their case.

In this guidebook, the terms “NGOs” and “CSOs” refer to organizations with a specific person authorized by the affected people to represent their interests, in their effort to seek remedy through ADB’s Accountability Mechanism. This authorization (provided in writing) is specific to a person (within the NGO or CSO) chosen

<sup>2</sup> “In its broadest sense, the term ‘nongovernment organization’ refers to organizations (i) not based in government, and (ii) not created to earn profit.” ADB. 2004. *Cooperation between Asian Development Bank and Nongovernment Organizations*. Manila. para 1.

<sup>3</sup> “Civil society organizations (CSOs) are non-state actors whose aims are neither to generate profits nor to seek governing power. CSOs unite people to advance shared goals and interests. They have a presence in public life, expressing the interests and values of their members or others, and are based on ethical, cultural, scientific, religious, or philanthropic considerations. CSOs include nongovernment organizations (NGOs), professional associations, foundations, independent research institutes, community-based organizations (CBOs), faith-based organizations, people’s organizations, social movements, and labor unions.” ADB. 2009. *Civil Society Organization Sourcebook: A Staff Guide to Cooperation with Civil Society Organizations*. Manila. page 1.



by the complainants to represent them in compliance review processes. Any change in representation must be authorized in writing by the complainants and communicated, also in writing, to the Compliance Review Panel (CRP).<sup>4</sup>

Such organizations are preferably based in the region or community surrounding the project site, or in broader confines within the country where the project is located. Where local representation cannot be found, a nonlocal representative of the affected people, in exceptional cases and with the agreement of the CRP, may be allowed (such as when adjoining regions of two member countries are involved, and no local representative can be found because of the political climate in the country).

The complainants' NGO or CSO representative(s) may file a complaint on behalf of the affected people, with written authorization from the complainants. NGOs and CSOs may also provide support to the affected people, as needed, in the preparation of the documentation required for the complaint.

For the Accountability Mechanism to successfully address their concerns, the affected people and their representative must cooperate fully and be proactively involved in the compliance review process.

 [The Accountability Mechanism Policy 2012 \(para. 138\) provides more information about the role of NGOs and CSOs in the compliance review process.](#)

## ADB OPERATIONS DEPARTMENTS— ADB Management and Staff

In this guidebook, “operations departments” refer to the five regional departments (Central and West Asia, East Asia, South Asia, Southeast Asia, and Pacific departments), with their respective resident missions, regional representative offices, and extended missions; as well as the Private Sector Operations Department and the Office of Public–Private Partnership. The actions, tasks, or roles assigned in this guidebook to ADB Management and staff are performed by the operations departments concerned, from department staff at ADB headquarters and resident mission staff, up to the vice-president to whom the department reports.

The operations departments make certain that ADB's operational policies and procedures are followed so that the people who are most at risk are protected during the planning and implementation of development projects. Measures already in place enable the operations departments to identify potential problems and mitigate them promptly when they arise.

Lodging a complaint with the complaint receiving officer (CRO) triggers the Accountability Mechanism and actions to be taken by either the special project facilitator (SPF) for problem solving cases; or the CRP for compliance review cases. Whether the complaint goes through problem solving or the 10-step compliance review process, the cooperation of the operations departments is necessary for a more effective ADB response.


<sup>4</sup> The CRP is an independent body consisting of three members who are not ADB staff and reporting to the ADB Board of Directors.

If prior good faith efforts have not been made to address the problem with the operations department, the CRP chair (or the SPF) forwards the complaint to the operations department concerned, so that it can be addressed through problem solving and compliance efforts at the operations department level.

ADB operations departments are primarily responsible for disseminating information about the Accountability Mechanism at the project level. Resident missions in ADB's DMCs, as part of the operations departments, may be requested to provide assistance in the problem solving or the compliance review process. In addition, a designated focal person at each resident mission handles grievances arising from the implementation of ADB-assisted projects.

ADB Management and staff have a crucial role in any compliance review case. As liaisons between the CRP and government and private sector borrowers, ADB Management and staff facilitate access to project documents, secure mission clearance for site visits (FAQs 39–41), and arrange meetings and coordinate with the government and the private sector borrower.

If noncompliance is found, ADB Management also designs and implements remedial actions with the agreement of the borrower, and has the remedial action plan approved by the Board.

 The Accountability Mechanism Policy 2012 (paras. 129, 137, 155, 164, 167–168, 174–176, 178–180, 183–185, and 190–194) provides further information about the role of ADB Management and staff in the compliance review process.

## COMPLIANCE REVIEW PANEL


The CRP is an independent fact-finding body of the ADB Board of Directors (or Board). It has a full-time chair who is concurrent head of the Office of the Compliance Review Panel (OCRP); and two part-time members, one of whom is from outside the Asia and Pacific region. All three members serve for 5 years. The CRP

- (i) processes complaints requesting for a compliance review,
- (ii) conducts the review, and
- (iii) monitors the implementation of remedial actions if warranted by the findings.

The CRP answers only to ADB, and while the three members are not ADB staff, they adhere to the Code of Conduct for ADB staff.


The CRP consults with project owners (government or private sector), with governments, and with affected people and their representatives, during the compliance review and while monitoring remedial actions. It works closely with the project owner and ADB Management in providing comments on the remedial measures proposed by ADB Management, before the complaint is submitted to the Board.

The CRP communicates directly with complainants and their representatives, but routes all other requests for information and coordination with government and project owners through ADB Management.

 The Accountability Mechanism Policy 2012 (paras. 130–132) provides further information about the CRP's role in the compliance review process.

## OFFICE OF THE COMPLIANCE REVIEW PANEL

The Office of the Compliance Review Panel (OCRCP) provides operational and administrative support to the CRP in its work. It facilitates the CRP chair's communication and coordination with the Board, Management and staff, and the SPF, and conducts compliance outreach programs for various project stakeholders to improve compliance.

 The Accountability Mechanism Policy 2012 (para. 133 on page 27) provides further information about the OCRCP's role in the compliance review process.

## ADB BOARD OF DIRECTORS

The ADB Board of Directors, or the Board, oversees and gives direction to the general operations of ADB. With respect to the Accountability Mechanism, the Board is responsible for the following:

- (i) authorizing a compliance review,
- (ii) overseeing the CRP's work through the Board Compliance Review Committee (BCRC),
- (iii) going over the CRP's compliance review reports,
- (iv) considering and deciding on ADB Management's proposed remedial actions in response to the CRP's findings,
- (v) overseeing appointments to the CRP, and
- (vi) approving the annual work plans and budgets of the CRP and the OCRCP.


The 12 directors of the Board are elected by the Board of Governors. Eight of these come from Asia and the Pacific and the four others from outside the region. The interests of each DMC are represented by one of the 12 Board members.

 The Accountability Mechanism Policy 2012 (para. 136) and the ADB website ([www.adb.org/about/board-directors](http://www.adb.org/about/board-directors)) contain more information about the Board's role in the compliance review process.

## BOARD COMPLIANCE REVIEW COMMITTEE

The Board Compliance Review Committee (BCRC) is a Board committee that directly oversees the CRP's work. It is responsible for the following:

- (i) approving the CRP's terms of reference for compliance review;
- (ii) reviewing the CRP's draft reports;
- (iii) deciding on monitoring time frames;
- (iv) reviewing and endorsing the work plan and budget of the CRP and the OCRCP;
- (v) overseeing the selection and appointment of CRP members, in consultation with the ADB President;
- (vi) engaging in dialogue with ADB Management when a member country refuses to allow site visits by the CRP, on the reasons behind such refusal; and
- (vii) serving as the Board's focal point for the CRP's communication and dialogue with the Board on the Accountability Mechanism.

 The Accountability Mechanism Policy 2012 (paras. 134–135) provides further information about the BCRC's role in the compliance review process.

## COMPLAINT RECEIVING OFFICER

Based at ADB headquarters, the complaint receiving officer (CRO) ensures easy access to the Accountability Mechanism as the point of first contact and the single entry point for complaints from people affected by ADB-assisted

projects. This independent officer, not part of the ADB staff, has the sole task of receiving complaints from project-affected people and forwarding these for problem solving or compliance review. Efficiency, impartiality, and capable handling of the complainants' confidentiality requirements are expected. The CRO is engaged by both the Office of the Special Project Facilitator (OSPF) and OCRP, and reports to both the SPF and the CRP chair.

The CRO follows specific, time-bound steps in facilitating the processing of complaints from project-affected people:


- (i) The CRO acknowledges receipt of the complaint and provides the complainants with an information packet containing all the essential information about the Accountability Mechanism, within 2 working days of receipt of the initial letter of complaint.
- (ii) The CRO registers the complaint on the Accountability Mechanism website, with the details given in the complaint (project name and number, web page, and important dates) and project information provided by the operations department at the CRO's request. The web page serving as the registry of complaints is [www.adb.org/site/accountability-mechanism/complaints-receiving-officer/complaints-registry](http://www.adb.org/site/accountability-mechanism/complaints-receiving-officer/complaints-registry).
- (iii) The CRO then checks the documentary requirements for filing the complaint, to ensure that all the required information has been submitted.
- (iv) The CRO verifies the complainants' identities. If the complainants request confidentiality, the CRO redacts all references to the complainants' identities on the documentation.
- (v) The CRO informs the SPF, the CRP chair, and the operations department (through the director general) about the receipt of the complaint. The CRO then provides them with a copy of the redacted complaint, unless the complainants explicitly allow the CRO to reveal their identities.
- (vi) The CRO determines whether the complaint is within the scope of the Accountability Mechanism, and forwards all other complaints to the relevant ADB office (such as the Office of Anticorruption and Integrity; or the Procurement, Portfolio, and Financial Management Department) for appropriate action.
- (vii) The CRO then gives the complainants a maximum period of 21 calendar days within which they can change their mind and choose a different Accountability Mechanism function for their complaint.
- (viii) The CRO's next step depends on the complainants' choice between compliance review and problem solving. If the complainants request a compliance review, the complaint is forwarded to the CRP chair; if the choice is problem solving, the complaint is sent to the SPF.
- (ix) The SPF, the CRP chair, and the operations department are given up to 3 working days to communicate any concerns or objections to the CRO's decision regarding the appropriateness of the chosen Accountability Mechanism function.
- (x) Within 2 working days from acknowledgment of receipt of the complaint by the petitioned office, the CRO informs the complainants that their complaint has been received.
- (xi) The CRO requests clarification from the complainants, within 60 calendar days, regarding their choice of Accountability Mechanism function, if the complainants' choice of function is unclear or if objections are raised by their petitioned office.

Additionally, if a complaint is forwarded by the CRP chair (or the SPF) to the operations department concerned because no prior good faith efforts were made to address the issue, the CRO posts on the

Accountability Mechanism website the report submitted by the operations department after the department addresses the complaint through its problem solving and compliance efforts.

The CRO also seeks clarification from complainants before processing a complaint that is not specifically addressed to the Accountability Mechanism.

The CRO's duty ends once the complaint is forwarded to the office that should address the complaint.


 [The Accountability Mechanism Policy 2012 \(paras. 74, 75, 107, 121, 124–125, 150, and 138–161\) provides further information about the CRO's role in the compliance review process.](#)

## OFFICE OF THE GENERAL COUNSEL

ADB's Office of the General Counsel (OGC) handles all legal aspects of ADB's operations and activities, including providing legal advice. It advises the (i) OSPF; (ii) OCRP; (iii) CRP; (iv) BCRC; (v) Board of Directors; (vi) ADB Management; and (vii) ADB staff on matters relating to ADB's legal status, rights, and obligations based on its charter, with respect to any complaint pertaining to the Accountability Mechanism.

Besides assigning a counsel to the project team to assist in drafting ADB Management's response and other matters, OGC also assigns a separate counsel to advise the SPF, the CRP, and the Board. The assignment of a different counsel to each party is intended to ensure the independence of advice provided to Accountability Mechanism bodies, and thus the avoidance of actual or apparent conflicts of interest by OGC personnel in

the performance of their duties during the compliance review process.

 [The Accountability Mechanism Policy 2012 \(paras. 122–123\) provides further information about the OGC's role in the compliance review process.](#)

## BORROWERS OR PROJECT OWNERS (Government and Private Sector)


Government and private sector borrowers are valued partners of ADB. Just as ADB exists to provide DMCs and private sector borrowers with the necessary financial services, the borrower's active involvement to ensure compliance with ADB's operational policies and procedures provides for the continued advancement of inclusive and sustainable development in the region. Such responsible and active involvement in compliance with ADB's operational policies and procedures encompasses all stages of the project, from planning to implementation, and through remedial action, if needed.

ADB asks for the full cooperation of both government and private sector borrowers in addressing specific complaints, and for their proactive involvement during the fact-finding inquiries of the CRP. The cooperation sought includes authorizing site visits (FAQs 39–41) to allow investigation, discussion, and monitoring of compliance efforts; granting access to project documentation; and facilitating consultations with all parties concerned. Most importantly, government and private sector borrowers are asked to participate proactively in finding appropriate solutions, allocating resources, and actively implementing the remedial actions approved by the Board.

Project ownership, whether of sovereign or nonsovereign projects, entails responsibility as well as commitment. In exchange for the overall benefits of a project to a country, a region, or the stockholders of a corporation, borrowers take on the responsibility of maintaining environmental sustainability, and the commitment to improve the quality of life and the social welfare of local citizens and communities, and to preserve and protect ecological integrity, for the benefit of all.

Borrowers are also urged to provide the space that allows grievances to be heard, and to facilitate remedies that will bring the project back into compliance with ADB's operational policies and procedures. Such goodwill in pursuit of sustainable and inclusive development ensures the continued and fruitful engagement between ADB and its partners in development.

This guidebook uses the terms “borrowers” and “project owners” interchangeably to refer to either government or private sector borrowers.

 [The Accountability Mechanism Policy 2012 \(paras. 77–79, 184–185, 190, and 194\) provides further information about the role of borrowers and project owners in the compliance review process.](#)

## GOVERNMENT

In a government-owned ADB-assisted projects, government is defined by its capacity in two other fundamental roles besides that of borrower and project signatory: as executing agency and as implementing agency. The authorized borrower agency within the government delegates the executory and implementing


functions to agencies under its directive. In this guidebook, the term “government” encompasses all three roles (borrower, executing agency, and implementing agency), with overall responsibility residing with the borrower.

Among the borrower, the executing agency, and the implementing agency, the specific duties within the compliance review are defined at the discretion of the sovereign authorities, as assignments differ in the context of each DMC's system.

In ADB-assisted projects, governments have the duty on both government-owned and private sector projects, to safeguard the rights of its citizens, improve their welfare, and preserve the integrity or oversee the utility of natural resources, for the benefit of all.

Governments have the authority to grant permissions for the entry of an official mission of ADB and the CRP into a country (FAQs 39–41). Such permissions are sought even for site visits of private sector projects. Governments are customarily expected to grant such permissions that would allow investigation, consultation, and monitoring of compliance efforts that may arise.

As each DMC is represented on the Board, governments are part of ADB and take active roles in its policy- and decision-making processes, including those of the Accountability Mechanism. A country's interests and those of its citizens are well served through its representative on the Board.

 [The Accountability Mechanism Policy 2012 \(paras. 77–80\) provides further information about the government's role in the compliance review process.](#)

## PRIVATE SECTOR BORROWER

The private sector plays a vital role in bringing inclusive economic growth and prosperity to Asia and the Pacific by providing investments and employment in developing countries. As economic growth and job creation reduces poverty, ADB encourages the development of the private sector, especially in countries where the need for private sector-driven growth is greatest.<sup>2</sup>

ADB's private sector financing, also known as nonsovereign financing, supports projects with a clear development impact or a demonstrable social impact beyond a beneficial financial rate of return. This support creates conditions that generate business opportunities, and catalyzes private investment. ADB's partnership with the private sector increases the resources available for promoting inclusive economic growth, sustainable management of the environment, and regional integration in Asia and the Pacific.

All loans made by private sector entities must align with the objectives and priorities of ADB and the DMC in which the project is located. Complying with ADB's operational policies and procedures during project planning and implementation protects the interests of both borrowers and affected people. Should any complaint arise, immediate mitigation through project-level grievance redress mechanism and operations departments' problem solving and compliance efforts prevent the compounding and escalation of negative effects.

Should complainants resort to the compliance review function, the private sector borrower is urged to lend support to ADB Management and the CRP during the compliance review. Through the borrower's active involvement in a compliance review, the shared goal of advancing sustainable and inclusive development is best served.

In this guidebook, "private sector borrower" refers to loan beneficiaries for nonsovereign projects.

 [The Accountability Mechanism Policy 2012 \(paras. 184–185, 190, and 194\) provides further information about the private sector borrowers' role in the compliance review process.](#)


<sup>5</sup>“ADB undertakes nonsovereign operations to provide financing to eligible recipients in developing member countries. Nonsovereign operations comprise the provision of any loan, guarantee, equity investment, or other financing arrangement to privately held, state-owned, or subsovereign entities, in each case, (i) without a government guarantee; or (ii) with a government guarantee, under terms that do not allow ADB, upon default by the guarantor, to accelerate, suspend, or cancel any other loan or guarantee between ADB and the related sovereign.” ADB. 2012. Nonsovereign Operations. *ADB Operations Manual*. OM D10. Manila. para.1.

# The Compliance Review Process

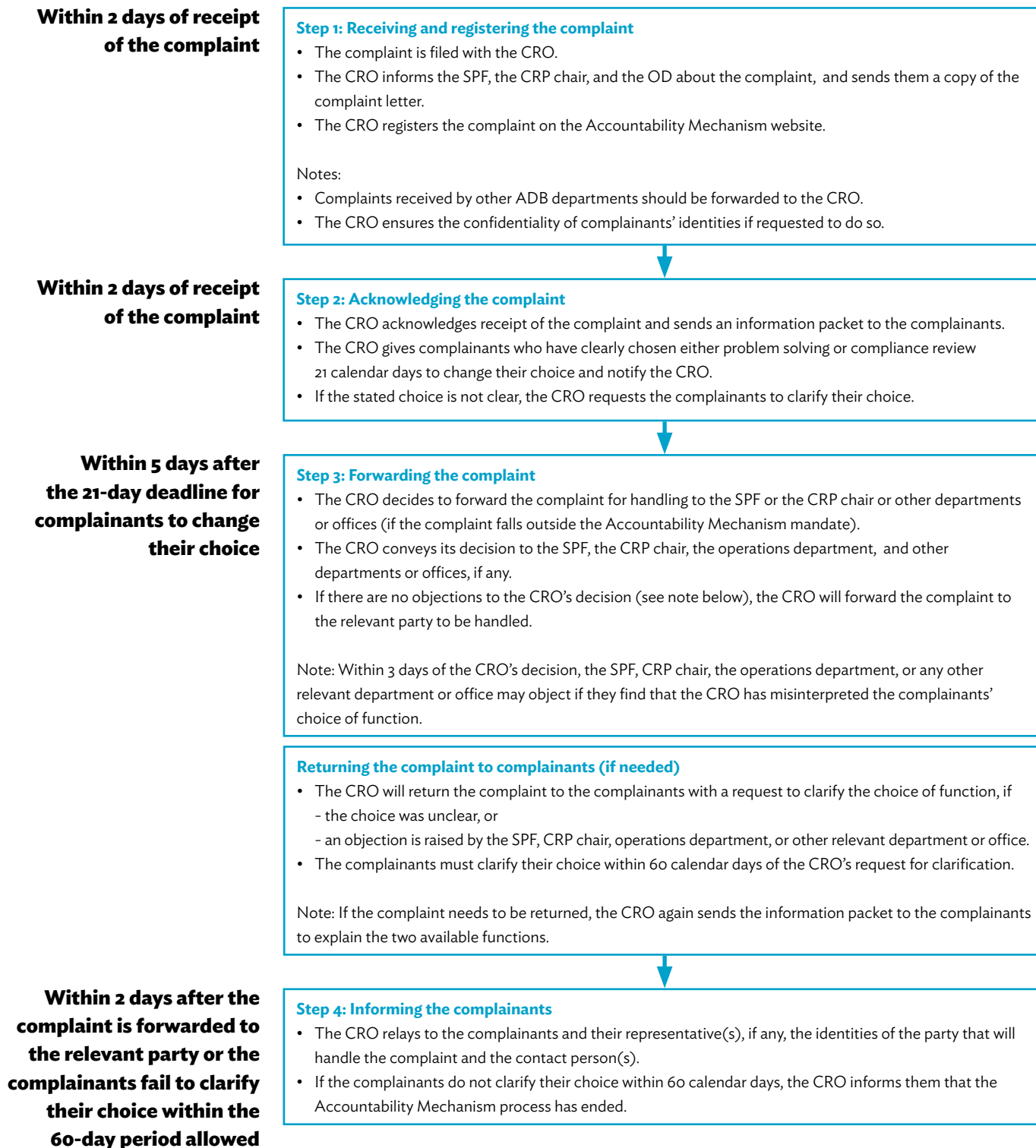
Compliance review is an ADB investigation of allegations of noncompliance with its operational policies and procedures, which may have caused or is likely to cause direct and material harm to people in ADB-assisted projects. Its impact on ADB's operations is relatively longer and more far-reaching than that of problem solving, the other Accountability Mechanism function, as compliance review is expected to lead to improvements in ADB's operational policies and procedures, as well as their implementation. The recommendations resulting from the findings of a compliance review may be applied to future projects of ADB and its partners.

## INITIATING A COMPLIANCE REVIEW

The flowchart in Figure 2 describes the process of initiating a compliance review with ADB's Accountability Mechanism.

 More information about initiating the compliance review can be found in FAQs 7–21 and in the role of the complaint receiving officer on pages 9–11 of this guidebook.



**Figure 2:** Filing a Complaint and Requesting a Compliance Review with ADB's Accountability Mechanism

ADB = Asian Development Bank, CRO = complaint receiving officer, CRP = Compliance Review Panel, SPF = special project facilitator.

Source: ADB. 2012. Bank Policies. *ADB Operations Manual*. OM L1/BP. Manila. <https://www.adb.org/sites/default/files/institutional-document/31483/oml1.pdf>.

## THE 10-STEP COMPLIANCE REVIEW PROCESS

ADB's 10-step compliance review process begins when the CRO forwards the complaint to the CRP chair. Under each of these 10 steps are several tasks that the CRP and the various stakeholders perform during a compliance review. Listed beside each task of the CRP is the corresponding action of the affected people and their representative

NGOs and CSOs. These actions are recommended to encourage stakeholders to participate actively in the 10-step compliance review process. Affected people, NGOs, and CSOs involved in a compliance review are requested to familiarize themselves with these 10 steps, as well as with their roles in the process.

**1 Requesting** Management Response

**2 Determining** Eligibility

**3 Board Authorization** of Compliance Review

**4 Conducting** Compliance Review

**5 Compliance Review Panel's Draft Report**

**6 Compliance Review Panel's Final Report**

**7 Board Consideration** of the Compliance Review Panel Report

**8 Management's Remedial Actions**

**9 Board's Decision**

**10 Monitoring and Conclusion**

## 1 Requesting Management Response



### COMPLIANCE REVIEW PANEL

#### LEAD TIME:

***Within 5 working days from the CRP's receipt of the complaint***

The CRO forwards to the CRP chair the complaint requesting a compliance review.

The CRP chair sends a letter or memo to inform ADB Management, the complainants (and their representative, if any), the borrower, and the Board member representing the member country concerned, regarding the CRP's receipt of the complaint.

The CRP chair appoints a lead CRP reviewer, in concurrence with the BCRC chair.

The CRP makes an initial assessment of the complaint to confirm whether the complaint falls within the mandate of the compliance review function.

The CRP lead reviewer, with the support of the OCRP, prepares an assessment report substantiating this initial assessment with the rationale and the basis for the CRP's discussion and decision.

After completing the initial assessment, if the CRP finds that the complaint falls within the mandate of the compliance review function, the CRP sends a memo to ADB Management to

- (i) inform them of the receipt of the complaint, and
- (ii) request submission of a response to the CRP within 21 working days from receipt of the memo.

If in the initial assessment the CRP finds that the complaint does not fall within the mandate of the compliance review function, the compliance review process stops.

If the complainants or the affected people identify and report a security risk due to the complaint, the CRP and ADB Management shall prepare an appropriate mitigation plan to address the security risk.



### AFFECTED PEOPLE, NGOs and CSOs

Affected people, particularly the complainants or their NGO or CSO representative, may start gathering evidence and preparing documentation relating to the complaint.

Affected people should identify and report to the CRP any current or likely threat to their security due to the complaint. The CRP and ADB Management shall then prepare an appropriate mitigation plan to address the security risk.

## 1 Requesting Management Response (*continued*)



### COMPLIANCE REVIEW PANEL

#### LEAD TIME:

**Within 21 working days from receipt of the CRP's request for ADB Management's response to the complaint**



### AFFECTED PEOPLE, NGOs and CSOs

The complainants should make sure that they receive an acknowledgment letter from the CRP.

The NGO or CSO representative should also ensure that they get a copy of all CRP communications with affected people, particularly the complainants, regarding the compliance review. Included are letters, e-mail, and notices of consultations.

FAQs 7–20, 22 and 25 contain more information about Step 1 of the compliance review process.

## ? Frequently Asked Questions about Step 1 of the Compliance Review Process

**1 Q:** What makes a complaint fall within the compliance review mandate?

**A:** Five requirements must be met at this initial stage:

- (i) The complaint is about an ADB-assisted project.
- (ii) No more than 2 years have elapsed since the closing date of the project.
- (iii) At least two individuals directly and materially harmed or likely to be harmed by the project are filing the complaint.
- (iv) Alleged harm may be linked to noncompliance with ADB's operational policies and procedures.
- (v) Prior good faith effort to address the problem was made with the operations department concerned.

**2 Q:** What happens when the CRP finds the complaint is not within the compliance review mandate?

**A:** If these five conditions are not met, the complaint cannot proceed to a compliance review. If prior good faith effort was not made to resolve the complaint, then the complaint is sent to the relevant operations department to be addressed. The CRP chair sends a reply to the complainants (and their representative, if they have one) to inform them why the request for compliance review was declined.

**3 Q:** Should ADB Management encourage the borrower (government or private sector) to attempt to address the complaints of the affected people before the compliance review begins?

**A:** The operations department is encouraged to address complaints at the soonest time feasible, to avoid more harm and cost in time and resources.

**4 Q:** What should Management's response contain?

**A:** ADB Management must provide evidence that (i) ADB has complied with the relevant ADB operational policies and procedures; or (ii) there are serious failures attributable exclusively to ADB's actions or omissions, in complying with its policies and procedures, but ADB Management intends to take action to ensure compliance, as appropriate.

## 2 Determining Eligibility



### COMPLIANCE REVIEW PANEL

#### LEAD TIME:

***Within 21 working days from receipt of ADB Management's response to the complaint***

The CRP reviews the complaint, ADB Management's response, and all immediately available documents relevant to the project. The CRP typically conducts a mission to the country where the project is located, to verify the facts of the complaint and ADB Management's response, and to determine the eligibility of the complaint.

At this stage, the CRP will

- (i) check the identity of the complainants and establish whether or not they have been directly harmed or are likely to be directly harmed by the ADB-assisted project;
- (ii) check for concrete evidence of probable noncompliance with ADB's operational policies and procedures; and
- (iii) make an initial assessment of whether there is a strong, likely link between the harm caused or likely to be caused to the affected persons by the ADB-assisted project and the alleged noncompliance with ADB's operational policies and procedures.



### AFFECTED PEOPLE, NGOs and CSOs

At the CRP's request, the affected people, particularly the complainants or their NGO or CSO representative, may need to provide further information relating to the complainants' identities, and documentary and other evidence regarding the complaint. This may be done in consultation with the CRP mission, before or during its site visit to the project.

## 2 Determining Eligibility (continued)



### COMPLIANCE REVIEW PANEL

In writing, the CRP informs the complainants, the borrower, the Board member representing the country concerned, and ADB Management of the CRP's determination concerning eligibility.

If the CRP deems the complaint ineligible, it sends the report to the Board for information and subsequently posts it on the CRP website ([www.compliance.adb.org](http://www.compliance.adb.org)).



### AFFECTED PEOPLE, NGOs and CSOs

If the complainants cannot be informed directly, the representing NGO or CSO informs the affected people, particularly the complainants, of the CRP's determination concerning the eligibility of the complaint. The affected people should acknowledge receipt of this information, and the NGO or CSO should relay this acknowledgment to the CRP.

FAQs 10–13, 17–18, and 30–31, and the Appendix provide more information about Step 2 of the compliance review process.



### Frequently Asked Questions about Step 2 of the Compliance Review Process



**1 Q:** When is a complaint considered eligible?

**A:** To be eligible for compliance review, the CRP must be satisfied that (i) there is evidence of noncompliance; (ii) there is evidence that the noncompliance has caused, or is likely to cause, direct and material harm to project-affected people; and (iii) the noncompliance is serious enough to warrant a compliance review. Further details can be found under Eligibility Criteria and Exclusions on page 49 of this guidebook, and the scope of a compliance review on page 47 and the Appendix.

**2 Q:** What happens when a complaint is considered ineligible?

**A:** The CRP informs the complainant about the reasons for its finding. All CRP reports, including determination of eligibility or status of a complaint, are posted on its website ([www.compliance.adb.org](http://www.compliance.adb.org)). Complainants may request for further clarification by getting in touch with the CRP or requesting a meeting.

### 3 Board **Authorization** of Compliance Review

 COMPLIANCE REVIEW PANEL	 AFFECTED PEOPLE, NGOs and CSOs
<p>LEAD TIME: <b>Within 21 calendar days from the CRP's submission of its report to the Board</b></p> <p>The CRP submits its eligibility report to the Board through the BCRC.</p> <p>If the CRP finds the complaint eligible, it recommends, through the BCRC, that the Board authorize a compliance review.</p> <p>The Board decides whether or not to authorize a compliance review.</p>	<p style="text-align: center;">↓</p> <p>There are no prescribed actions for affected people, in particular the complainants or their NGO or CSO representative, at this stage.</p>
<p>LEAD TIME: <b>Within 7 working days from Board authorization of a compliance review</b></p> <p>The CRP informs the complainants, ADB Management, and the borrower of the Board's decision.</p> <p>The CRP uploads its eligibility report on its website (<a href="http://www.compliance.adb.org">www.compliance.adb.org</a>).</p> <p>If necessary, the CRP has the eligibility determination report translated into local language, and uploads a copy to the CRP website.</p>	<p>In all phases of the compliance review process, the affected people, particularly the complainants or their authorized NGO or CSO representative, can request the CRP to clarify further its expectations regarding the next steps in the process, so that they or their representatives can be engaged more fully in the compliance review process.</p>

 FAQs 29–34 and 37–38, and the Appendix provide further details about Step 3 of the compliance review process.





#### Frequently Asked Questions about Step 3 of the Compliance Review Process

- 1 Q:** What happens if the Board does not authorize a compliance review?

**A:** No compliance review takes place. The CRP informs the complainant of the Board's decision and no further action is taken. The Board's decision on the complaint is posted on the CRP's website ([www.compliance.adb.org](http://www.compliance.adb.org)). This decision is considered final and not subject to appeal. Complainants may request a meeting with the CRP to clarify the matter.
- 2 Q:** Could the NGO or CSO follow up the status of the Board's authorization of a full compliance review through its country's representative on the Board?

**A:** Only after the Board makes a decision regarding a full compliance review will any announcements be made. The CRP is mandated to notify the complainant of the Board's decision, within 7 working days from receipt of the Board's authorization.

## 4 Conducting Compliance Review

 COMPLIANCE REVIEW PANEL	 AFFECTED PEOPLE, NGOs and CSOs
<p>LEAD TIME: <b>Within 10 working days from Board authorization of a compliance review</b></p> <p>After the Board authorizes a compliance review, the CRP submits the terms of reference (TOR) for this compliance review to the BCRC, for clearance. Once the TOR is cleared, the CRP submits it to the Board for information and sends a copy to ADB Management.</p>	<p style="text-align: center;">↓</p> <p>There are no prescribed actions for affected people, in particular the complainants or their NGO or CSO representative, at this stage.</p>
<p>LEAD TIME: <b>Indefinite, because of variable factors such as project complexity, translation requirements, and scheduling of site visits. No time limits apply to this investigative stage</b></p> <p>The CRP begins the compliance review once the TOR has been cleared by the BCRC.</p> <p>The CRP consults with all stakeholders—ADB Management and staff; government; private sector borrowers; and affected people (including complainants, if possible)—and other relevant parties, such as consultants or experts.</p> <p>The compliance review may include desk reviews, meetings, discussions, and site visits.</p> <p>The CRP may engage technical experts to assist in fact-finding.</p>	<p>Affected people, particularly the complainants, and their NGO or CSO representative (if any) are requested to cooperate in the CRP’s fact-finding and monitoring. The complainants and their NGO or CSO representative should</p> <ul style="list-style-type: none"> <li>(i) help the CRP arrange a compliance review mission,</li> <li>(ii) provide documents or material evidence required by the CRP,</li> <li>(iii) respond to interviews and fact-finding queries by the CRP,</li> <li>(iv) assist the CRP in arranging site visits to the project and their communities, and</li> <li>(v) arrange for the CRP to meet all the complainants.</li> </ul>

 FAQs 29–31, 34, and 39–45 provide more information about Step 4 of the compliance review process.



### Frequently Asked Question about Step 4 of the Compliance Review Process

**Q:** What happens if the borrower (government or private sector), for one reason or another, does not allow a project site visit?

**A:** The CRP prepares and completes its compliance review report using available information and appropriate assumptions. If a site visit is declined, ADB Management discusses the reasons with the borrower or the government. After consulting with the BCRC and the borrower or government, ADB Management conveys the reasons to the Board through an information paper.



## 5 Compliance Review Panel's **Draft Report**



### COMPLIANCE REVIEW PANEL

#### LEAD TIME:

**Comments from the complainants, the borrower, and ADB Management are expected within 45 working days from the issuance of the draft CRP report**

The CRP issues a draft report on its compliance review to the complainants, the borrower, and ADB Management, and requests comments. The draft report is also forwarded to the BCRC for review.



### AFFECTED PEOPLE, NGOs and CSOs

The complainants and their NGO or CSO representative (if any) should review the CRP's draft report and conduct the necessary research and consultation with the affected people in their communities, in preparation for providing comments on the draft report.

The reply should be drafted and submitted to the CRP by the complainants or their NGO or CSO representative within 45 working days. The affected people, particularly the complainants or their NGO or CSO representative, may request an informal meeting with the CRP (by audio or video facilities, or in person), to clarify any requirements relating to the complainants' response, or to clarify their comments on the draft CRP report.

*Note: This report is confidential and may not be shared with other parties by the complainants, or their NGO or CSO representative.*

## 6 Compliance Review Panel's **Final Report**



### COMPLIANCE REVIEW PANEL

**LEAD TIME:**

***Within 14 working days from the receipt of comments from the complainants, the borrower, and ADB Management***

The CRP finalizes the report. It considers the comments received from the various stakeholders, and may affirm or reject those comments on the basis of its own findings and its determination regarding the relevance of the comments to its report.

The CRP issues a final report to the Board, through the BCRC, for its consideration. The final report includes a matrix summarizing the CRP's response to each of the comments made by the complainants, the borrower, and ADB Management.





### AFFECTED PEOPLE, NGOs and CSOs

Affected people, particularly the complainants or their NGO or CSO representative, must study the final CRP report carefully. They may request a meeting with the CRP or ADB Management to clarify the CRP's stand and ADB Management's response to the draft CRP report, in preparation for the complainants' engagement in the implementation of remedial actions.

The affected people are advised to consult with ADB Management and offer opinions on the remedial actions proposed by ADB Management to bring the project back into compliance.



FAQs 26–28 provide further information about Step 6 of the compliance review process.

## 7 Board **Consideration** of the Compliance Review Panel’s Report

 COMPLIANCE REVIEW PANEL	 AFFECTED PEOPLE, NGOs and CSOs
<p>LEAD TIME: <b>Within 21 calendar days of receipt of the CRP’s final report</b></p> <p>The Board considers the CRP’s report.</p> <p>The Board members may ask the CRP to clarify certain matters in its report.</p>	<p style="text-align: center;">↓</p> <p>There are no prescribed actions for affected people, in particular the complainants or their NGO or CSO representative, at this stage.</p>
<p>LEAD TIME: <b>Within 7 working days from the Board’s decision.</b></p> <p>The CRP chair releases the CRP’s report to the complainants, ADB Management, and the borrower, and uploads this to the CRP website (<a href="http://www.compliance.adb.org">www.compliance.adb.org</a>).</p> <p>If necessary, the CRP has the final report translated into the local language and uploads a copy to the CRP website.</p>	<p>The affected people, in particular the complainants, and their NGO or CSO representative (if any), should carefully review the final CRP report uploaded to the CRP website.</p> <p>The NGO or CSO concerned should inform the complainants and other affected people about the contents of the report.</p>

 FAQs 29–31 contain further information about Step 7 of the compliance review process.

## 8 Management’s Remedial **Actions**

 COMPLIANCE REVIEW PANEL	 AFFECTED PEOPLE, NGOs and CSOs
<p>LEAD TIME: <b>Within 60 working days of the Board’s decision on the CRP’s final report</b></p> <p>If the CRP’s report concludes that noncompliance with ADB’s operational policies and procedures resulted in, or is likely to result in, direct and material harm, ADB Management needs to propose remedial actions.</p>	<p style="text-align: center;">↓</p> <p>ADB Management may consult the affected people, particularly the complainants or their NGO or CSO representative, while preparing the remedial action plan. The remedial actions proposed in the plan are meant to address the findings of the CRP report.</p> <p>The affected people may request a meeting with the CRP and ADB Management to offer their opinions on ADB Management’s proposed remedial actions.</p>
<p>LEAD TIME: <b>Within 5 working days from receipt of proposal</b></p> <p>The CRP reviews and comments on the proposed remedial actions.</p>	<p>There are no prescribed actions for the affected people, in particular the complainants or their NGO or CSO representative, at this stage.</p>

 FAQs 35–39 and 44–48 provide more details about Step 8 of the compliance review process.



### Frequently Asked Question about Step 8 of the Compliance Review Process

**1 Q:** What should the remedial action plan contain?

**A:** It should identify the actions to be taken to bring the project back into compliance, the time frame for such actions, the implementing parties, cost estimates for the remedial actions, and the parties that will shoulder the costs.

## 9 Board's Decision



### COMPLIANCE REVIEW PANEL

#### LEAD TIME:

**Within 21 calendar days of receipt of the proposed remedial action plan**

After receiving the proposed remedial action plan, the Board reviews and decides whether to approve the proposed plan or not.

#### LEAD TIME:

**Within 7 days from the Board's decision**

The approved remedial action plan, with the CRP's comments, is released to the complainants and the borrower and posted on the CRP website ([www.compliance.adb.org](http://www.compliance.adb.org)).

If necessary, the CRP has the approved remedial action plan translated into the local language and uploads a copy to its website.



### AFFECTED PEOPLE, NGOs and CSOs

There are no prescribed actions for the affected people, in particular the complainants or their NGO or CSO representative, at this stage.

The complainants and their NGO or CSO representative (if any) should carefully study the remedial action plan, as well as the CRP's comments on the remedial actions, and think about how they may take part in implementing the plan.

The complainants or their NGO or CSO representative should explain the remedial action plan to the other affected people to seek their views and to ascertain how they may be engaged in its implementation.

The affected people, in particular the complainants or their NGO or CSO representative, may request a meeting with ADB Management to discuss the implementation of the remedial actions.

The NGO or CSO concerned may provide legal or technical assistance to the affected people (including the complainants), in support of the implementation of the remedial actions.

 FAQs 35–36 and 44–48 contain further information about Step 9 of the compliance review process.



### Frequently Asked Question about Step 9 of the Compliance Review Process

**Q:** Should remedial actions start only after Board approval?

**A:** No. The operations department, with the project owner's consent and support, can start implementing remedial actions at the soonest time feasible, to avoid more harm and cost in time and resources.

## 10 Monitoring and Conclusion



### COMPLIANCE REVIEW PANEL

#### LEAD TIME:

**Generally up to 3 years from Board approval of the remedial action plan**

The CRP monitors the implementation of remedial actions for up to 3 years, and prepares annual monitoring reports to be submitted to the Board.

The CRP reports quarterly to the BCRC on the progress of the implementation of remedial actions. These reports are based on information received by the CRP from ADB Management through quarterly or biannual progress reports, as well as on information received from other parties.

#### LEAD TIME:

**Annually or at such other times specified by the Board.**

The CRP prepares annual monitoring reports, based on the following:

- (i) its review of ADB Management's periodic progress reports (submitted at least quarterly or semiannually) on the implementation of remedial actions;
- (ii) its assessment of the progress of implementation of remedial actions, and the degree of compliance found in the project;
- (iii) consultations with ADB Management, the borrower, the affected people (including the complainants), and the NGOs or CSOs concerned; and
- (iv) the conclusions arrived at following a site visit, if such a mission is found necessary.



### AFFECTED PEOPLE, NGOs and CSOs


ADB Management may consult the affected people, including the complainants or their NGO or CSO representative, while preparing its quarterly progress report on the implementation of the approved remedial action plan.

The NGO or CSO concerned may assist ADB Management or the CRP in arranging meetings with the affected people (including the complainants) during site visits to the project.

Affected people, particularly the complainants or their NGO or CSO representative, should prepare and provide the required information and documentation, as well as their suggestions for the CRP's consideration, in preparation for the CRP's site visits and annual monitoring report on the implementation of remedial actions.

The affected people may express their views on the implementation of remedial actions directly to the Board members.

## 10 Monitoring and **Conclusion** (*continued*)

COMPLIANCE REVIEW PANEL	 AFFECTED PEOPLE, NGOs and CSOs
<p><b>LEAD TIME: <i>As soon as the annual monitoring reports are available</i></b></p> <p>The CRP submits the annual monitoring report to the Board (through the BCRC) for information.</p> <p>The CRP makes the annual monitoring reports available to the complainants, the borrower, the Board, Management and staff, and the public on the CRP website (<a href="http://www.compliance.adb.org">www.compliance.adb.org</a>).</p> <p>If an extension of the monitoring is needed, the BCRC must recommend and endorse such an extension, for the Board's approval.</p> <p>If necessary, the CRP has the annual monitoring report(s) translated into the local language, and uploads a copy to its website.</p>	<p style="text-align: center;">↓</p> <p>With legal and technical assistance from their NGO or CSO representative, the complainants and other affected people should carefully review the CRP's annual monitoring report. They may request a meeting with the CRP to clarify the findings detailed in the report.</p> <p>If necessary, further suggestions or information may be prepared for ADB Management's consideration, to update or modify remedial actions, in accordance with the Board-approved plan.</p>

 FAQs 35–36, and 43–52 provide more information about Step 10 of the compliance review process.



### Frequently Asked Question about Step 10 of the Compliance Review Process

**Q:** What happens if the Board-approved remedial actions are not fully implemented within 3 years?

**A:** Since the CRP provides annual progress reports on the implementation of remedial actions, slow progress is identified early and reported to the Board in the CRP's annual monitoring report, coursed through the BCRC. It is therefore expected that appropriate corrective actions will have been taken before the end of the 3-year monitoring period. If further remedial action and monitoring is recommended by the CRP to the BCRC, the BCRC must endorse this recommendation to the Board for authorization.

# Information Disclosure Requirements under the Compliance Review Function of ADB's Accountability Mechanism

The CRP will upload the following information and documents to the CRP website ([www.compliance.adb.org](http://www.compliance.adb.org)) at the times specified:

- (i) the complaint letter (or the request for compliance review), upon the CRP's receipt of the complaint letter and subject to the agreement of the complainants, within 7 days of receipt of the complaint;
- (ii) a general description of the complaint, within 7 days from the CRP's receipt of the complaint letter, if the complainants do not consent to the disclosure of the letter;
- (iii) the CRP report stating that the complaint is eligible for compliance review, and the Board's decision authorizing the compliance review, together with ADB Management's response, within 7 days of the Board's decision;
- (iv) the CRP report declaring the complaint ineligible, together with ADB Management's response, within 7 days of circulation of the report to the Board;
- (v) the terms of reference for the compliance review, within 10 days of the Board's authorization of the compliance review;
- (vi) the CRP's final compliance review report, with comments on the draft report from ADB Management and, subject to their consent, from the complainants and the borrower, within 7 days of the Board's consideration of the final report;
- (vii) ADB Management's proposed remedial actions, the CRP's comments on the remedial actions, and the Board's decision, within 7 days of the Board's decision; and
- (viii) monitoring reports on the implementation of remedial actions approved by the Board, upon circulation to the Board and other stakeholders.

ADB Management will publish at least the following reports



on the ADB or project website:


- (i) quarterly or semiannual progress reports of the operations department on the implementation of remedial actions; and
- (ii) subject to confidentiality requirements, all additional public reports that are relevant to the remedial actions.

The project owner (either government or a private sector borrower) may upload the following reports to its project website, or provide links to such information:

- (i) the compliance review report of the CRP;
- (ii) quarterly or semiannual progress reports prepared by the ADB operations department, on the implementation of remedial actions;
- (iii) the CRP's monitoring report on the implementation of

remedial actions; and

- (iv) subject to confidentiality requirements, all other public reports that are relevant to the remedial actions.

 Appendix 9 of the Accountability Mechanism Policy 2012 gives more details about the information disclosure requirements under the compliance review function.

# Frequently Asked Questions

This section provides additional information to help people affected by ADB-assisted projects, NGOs and CSOs better appreciate the Accountability Mechanism's compliance review function as well as their role in it.

## I. ADB's Accountability Mechanism

1. What is an ADB-assisted project?
2. How is the Accountability Mechanism a governance tool for ADB, particularly with the compliance review function?
3. How is the Accountability Mechanism a development effectiveness tool for ADB?
4. How does the Accountability Mechanism relate to the other grievance redress mechanisms of ADB?
5. How is the Accountability Mechanism accessed?
6. If a CRP member was previously involved in a project that was the subject of a complaint, how will conflict of interest be avoided, especially in a compliance review?
7. When can complaints be filed with the Accountability Mechanism?
8. Why is 2 years after the project closing date the cutoff date for accepting complaints under the Accountability Mechanism?
9. Can complaints be filed even if the Board has not yet approved the project?
10. What can be complained about?
11. Who may submit complaints?
12. Why is it necessary to have at least two complainants requesting a compliance review?
13. Can complainants come from the same family?
14. From the complainants' perspective, what are the risks involved in a compliance review, and how can complainants be assured of their safety?
15. Would anonymous complaints be accepted, and will the complainants be assured of privacy through the maintenance of confidentiality?
16. How is a complaint filed?
17. What are the submission requirements for complaints?
18. What is a good faith effort by complainants to have their concerns addressed before lodging a complaint with the Accountability Mechanism?
19. What differentiates compliance review from problem solving?
20. How will the complainants decide which Accountability Mechanism function to pursue?
21. Can the complainants change their original choice regarding the specific function they want to pursue, at any time in the Accountability Mechanism process?
22. Can ADB Management and staff inform affected people about the means of redress made available through the Accountability Mechanism?
23. Must NGOs and CSOs meet certain qualifications set by ADB or the CRP to be certified to represent affected people?
24. Is there a specific authorization form that complainants must fill out to authorize their representative, and what should such an authorization document contain?

## II. Filing a Complaint

25. If the representatives of the affected people lose the confidence of those they represent, or if for any reason the NGO or CSO representative withdraws from participation in the complaint, would the compliance review continue?

### III. Compliance Review

26. How can projects avoid a compliance review?

27. What are the responsibilities of affected people in a compliance review?

28. Are borrowers (government or private sector) aware of ADB's Accountability Mechanism Policy and of their responsibilities under its terms?

29. What is the mandate of the CRP?

30. In the context of a compliance review under ADB's Accountability Mechanism, what constitutes noncompliance with ADB's operational policies and procedures?

31. What is the scope of a compliance review?

32. What sort of expertise is required of NGOs or CSOs to advance the interests of the affected people in a compliance review?

33. Does ADB's Accountability Mechanism Policy apply where country safeguard systems are used for ADB-assisted projects?

34. If the compliance review is focused on compliance with ADB's policies and procedures, to what degree does the CRP engage with governments of DMCs and ADB's private sector borrowers?

35. What are the practical solutions that may result from a compliance review?

36. Who pays the cost of remedial actions?

37. Can complaints go through the local or national legal system and to the compliance review process simultaneously?

38. Can NGOs or CSOs seek government support in advocating the interests of the affected people?

39. Since site visits may be part of the 10-step compliance review process, what happens when the government or the private sector borrower declines to grant a requested site visit?

40. Would the postponement of a site visit be tantamount to a refusal of a site visit by the government or the private sector borrower?

41. Should representatives of the project owner (both governments and private sector borrowers) accompany the CRP during site visits and in meeting the complainants?

42. Does the CRP consider the views of the concerned NGOs or CSOs and affected people?

43. How long does it take for a compliance review to be completed? Why does ADB have specific deadlines for certain compliance review steps and a flexible time frame for other steps?

44. If complainants withdraw their complaint, will the compliance review cease?

45. What if the complaint is resolved while the compliance review is ongoing?

46. How long are remedial actions to be monitored?


47. What should complainants do when a problem arises during the implementation of remedial actions?

48. What reports are required during the monitoring stage of the compliance review?
49. Can NGO or CSO representatives expect compensation from the award due to affected people in a remedial action?
50. What could be the role of NGOs or CSOs in the implementation of remedial actions?
51. If the remedial action plan requires adjustment, will the Board reconvene to approve any revision on the resolution?
52. If more complainants come forward after the remedial action plan is approved by the Board, how will that affect the implementation of the remedial actions?
53. Does the CRP have enough resources to manage the myriad of complaints that the office has to handle?

## I. ADB'S ACCOUNTABILITY MECHANISM


### 1. What is an ADB-assisted project?

An “ADB-assisted project” is an ongoing or future project financed or administered by ADB. The term covers both sovereign and nonsovereign operations.

 More information can be found in the [Accountability Mechanism Policy 2012](#) (para. 140, footnote 40, on page 28).

### 2. How is the Accountability Mechanism a governance tool for ADB, particularly with the compliance review function?


As a governance tool, the Accountability Mechanism enables ADB to self-correct and hold itself responsible for any direct and material harm to affected people brought about by ADB-assisted projects.

 More information can be found in the [Accountability Mechanism Policy 2012](#) (para. 105).

### 3. How is the Accountability Mechanism a development effectiveness tool for ADB?

The design of the Accountability Mechanism recognizes that ADB already has several well-developed audit, evaluation, process improvement, and learning systems. In problem solving or compliance review through the Accountability Mechanism, ADB is able to ascertain policy compliance and to find solutions to complaints or address noncompliance with remedial actions. Lessons learned from these mistakes are also fed back into operations to improve the way ADB designs and implements projects in the future.


ADB Management and staff and ADB's borrowers, as its partners in development, are enjoined to look at complaints as a forum for constructive criticism, an opportunity for correction and learning, and a means of improving project performance.

 More information can be found in the [Accountability Mechanism Policy 2012](#) (paras. 30, 37, 103-105, and 212).

### 4. How does the Accountability Mechanism relate to the other grievance redress mechanisms of ADB?

The Accountability Mechanism strengthens and supplements the other grievance redress avenues available in ADB, particularly the operations departments' problem solving and compliance efforts. To facilitate the prompt resolution of complaints, ADB encourages complainants to first seek redress through the grievance redress mechanism at the project level, by filing complaints directly with the project management unit concerned (usually at the project site). If the issue remains unresolved, complainants may elevate it to the ADB operations department level, either through the resident mission or directly to the operations department at ADB headquarters, so that the complaint may be addressed. The recommendation for project-level grievance redress is not to be seen, however, as a precondition for access to the Accountability Mechanism.


Complainants have the option of filing their complaint for redress through the Accountability Mechanism. The Accountability Mechanism has a clear workflow for dealing with complaints, including timelines and the parties responsible for certain actions.

 More information can be found in the [Accountability Mechanism Policy 2012 \(paras. 24–27 and 105\)](#).

#### 5. **How is the Accountability Mechanism accessed?**


The process of addressing a complaint through the Accountability Mechanism begins with the filing of a complaint with the complaint receiving officer (CRO), who ensures easy access as the single entry point for complaints from project-affected people. The CRO facilitates and tracks the progress of the complaint in its initial stages.

Complaints to be filed through the Accountability Mechanism are also accepted at any ADB office, such as a resident mission or a representative office, which will forward such complaints to the CRO.

 More information can be found in the [Accountability Mechanism Policy 2012 \(paras. 124–125 and 150\)](#).

#### 6. **If a CRP member was previously involved in a project that was the subject of a complaint, how will conflict of interest be avoided, especially in a compliance review?**

Any CRP member with previous involvement in a project undergoing compliance review must declare such involvement and inhibit himself or herself from participating in the process. This is to maintain the CRP's independence and prevent any conflict of interest.

 More information can be found in the [Accountability Mechanism Policy 2012 \(para. 113\)](#).


## II. FILING A COMPLAINT

### 7. **When can complaints be filed with the Accountability Mechanism?**

Complaints can be lodged during project formulation, processing, and implementation, and up to 2 years after the project closing date.

**From the closing date of a loan or grant for an ADB-assisted project, there is a 2-year period within which complaints on the project can be received for consideration.**

For programmatic operations, such as multitranche financing facilities, additional financing, and policy-based lending, the cutoff date is tranche-based (or its equivalent). For projects whose loan or grant closing dates are kept open after project completion for purposes such as interest capitalization and liquidation, the cutoff date is 2 years after the physical completion of the project or the completion of project activities.


 More information can be found in the [Accountability Mechanism Policy 2012 \(paras. 87 and 142\)](#).

### 8. **Why is 2 years after the project closing date the cutoff date for accepting complaints under the Accountability Mechanism?**

The ownership of a project lies with the borrower, and ADB's influence in initiating changes wanes over time. Therefore, 2 years is a fair period for ensuring project guarantees. Consultations were made in drafting Accountability Mechanism Policy 2012, and


a 2-year cutoff from the closing date of a project was deemed most reasonable, as an improvement over the Accountability Mechanism Policy 2003, which had a shorter prescriptive period. To serve notice to the public, project completion and loan or grant closing dates are published on the ADB website.

Beyond the 2-year cutoff for ADB's Accountability Mechanism, the complainants may lodge a complaint with the project owner through the internal redress mechanisms of the government agency or private company concerned, or through their national legal systems, if their complaints need to be addressed.

 More information can be found in the [Accountability Mechanism Policy 2012 \(paras. 87 and 142\)](#).


### 9. Can complaints be filed even if the Board has not yet approved the project?

Yes. However, ADB's experience shows that complaints are typically elevated to the CRP during the implementation stage (after Board approval) when the project scope has been firmed up and the impact on affected persons is more clearly defined. Also, it should be recalled that good faith efforts to address complaints through the operations department concerned are recommended before the complaint is submitted to the CRO. At earlier stages of the project, complainants may also seek redress through the project's grievance redress mechanism, but are not required to do so.

 More information can be found in the [Accountability Mechanism Policy 2012 \(para. 145\)](#).

### 10. What can be complained about?


People affected by ADB projects can file a complaint alleging that ADB's actions (or inaction) during project design or formulation, processing, or implementation have resulted (or are likely to result) in direct and material harm. Specifically, the CRP entertains complaints about harm to affected persons or the likelihood of causing harm that are directly linked to noncompliance with ADB's operational policies and procedures.

 More information can be found in the [Accountability Mechanism Policy 2012 \(paras. 145–149\)](#).

### 11. Who may submit complaints?

For the compliance review function, complaints may be filed by the following:

- (i) any group of two or more people directly harmed or likely to be harmed by a project, in a borrowing country where the ADB-assisted project is located, or in a member country adjacent to the borrowing country (complainants can be from the same family);
- (ii) a local representative of such affected persons, with proof of authorization;
- (iii) a nonlocal representative of such affected persons, in exceptional cases where local representation cannot be found, and the CRP chair concurs with the arrangement; or
- (iv) an ADB Board member, after first raising the concerns with ADB Management, in cases involving allegations of serious violations of ADB's operational policies and procedures.

 More information can be found in the [Accountability Mechanism Policy 2012 \(paras. 138–140\)](#).

**12. Why is it necessary to have at least two complainants requesting a compliance review?**

While the process of lodging a complaint by a single complainant is much easier from the complainant's perspective, a complaint lodged under the Accountability Mechanism must be made by more than one complainant, to ensure that

- (i) harm is experienced by more than one person; and
- (ii) the complaint is not motivated solely by self-interest or vendetta.

**13. Can complainants come from the same family?**

Yes. The concern is to verify the occurrence of severe effects that may be linked to an aspect of the project.

**14. From the complainants' perspective, what are the risks involved in a compliance review, and how can complainants be assured of their safety?**

Affected people are advised that filing a complaint may entail risks to their person or reputation, as it may place them in a position of conflict with project owners or other stakeholders, such as aggressive state or private security forces, and members of the community with other interests. To minimize such risks, the CRP and ADB uphold the complainants' right to confidentiality, which they may invoke when filing a complaint with the CRO, and enforce observance of confidentiality guidelines throughout the compliance review process.

However, even with the enforcement of confidentiality guidelines and other measures to prevent reprisals, complainants are still advised to take security measures to protect their identities, at the very least. Such

measures include relying on their NGO and CSO partners to represent their interests in the tasks involved, such as in communicating with the CRP. For their safety, and regardless of support from their NGO or CSO partners, affected people should also be extra careful when moving around, such as when traveling to and from consultations with the CRP.

Despite these risks, the compliance review presents a viable mechanism of redress for project-affected people, and may in fact prevent a recurrence of such instances of noncompliance in future projects.

**15. Would anonymous complaints be accepted, and will the complainants be assured of privacy through the maintenance of confidentiality?**

To ensure their personal security, complainants have the right to request that their identities be kept confidential. The CRO, CRP, OCRP, SPF, and OSPF respect the complainants' right to confidentiality, and continue to do so throughout the process, by ensuring strict compliance with confidentiality procedures (see Box 1).

Anonymous complaints, however, do not fit in with the need to ascertain the veracity of grievances, and for this reason will not be accepted. The identities of representatives, if any, will not be kept confidential, and will be disclosed to ensure transparency.

**Once the complaint is filed, it is treated as confidential by the CRO, who withholds all identifiable information, unless the complainants allow their identities to be revealed. Without such explicit permission, the identities of the complainants will be known only to the CRO and**



### the CRP (or the SPF, in case of a request for problem solving) throughout the process.

In handling complaints at their level, the operations departments should ascertain whether the complainants have requested confidentiality, in which case the departments should take the necessary actions, similar to those taken by the CRO, to ensure that confidentiality is maintained.

The protection of the identity of complainants is covered by the Guidelines for the Protection of Key Stakeholders During the Accountability Mechanism Process at [https://lnadb4.adb.org/diroo35p.nsf/attachments/AM%20Guidelines%20on%20Protection%20of%20Stakeholders%20%20-%20Final%20-%2009%20May%202018.pdf/\\$FILE/AM%20Guidelines%20on%20Protection%20of%20Stakeholders%20%20-%20Final%20-%2009%20May%202018.pdf](https://lnadb4.adb.org/diroo35p.nsf/attachments/AM%20Guidelines%20on%20Protection%20of%20Stakeholders%20%20-%20Final%20-%2009%20May%202018.pdf/$FILE/AM%20Guidelines%20on%20Protection%20of%20Stakeholders%20%20-%20Final%20-%2009%20May%202018.pdf).

#### Box 1: Confidentiality Guidelines—A Summary


Filing a complaint may put the complainants at risk. To keep the identities of the complainants confidential, the complaint receiving officer (CRO), the Compliance Review Panel (CRP), and the Office of the Compliance Review Panel (OCRCP) of the Asian Development Bank (ADB) observe the following good practices:

- Redact names, signatures, and any contextual information relating to the identities of the complainants, particularly in documents for publication.
- Conceal details that might reveal the complainants' identities in all reports and communications with the borrower and ADB Management.
- Work together with the complainants through their nongovernment organization (NGO) or civil society organization (CSO) representatives and rely on these relationships as conduits of information between the complainants, the CRP, and other stakeholders.
- If necessary, and only as permitted by the NGO or CSO representatives, when scheduling meetings with the complainants, consider potential sources of threat (such as police, government, or private

borrowers' presence) that might pose a safety risk to the complainants and obstruct their communications. Avoiding the direct participation of affected people in meetings that may entail security risks, such as being identified for intimidation and possible retaliatory measures, is recommended.

- When using interpreters, the OCRCP informs the interpreters about the nature of the compliance review process and the importance of keeping confidential the (i) identities of the complainants, (ii) the contents of documents that may be provided to the interpreter in the course of the latter's engagement with the OCRCP, and (iii) the information and substance of discussions during meetings. The OCRCP's interpreters must sign a nondisclosure and confidentiality agreement with the OCRCP whenever they are engaged in the compliance review process

Source: ADB Guidelines for the Protection of Key Stakeholders during the Accountability Mechanism Process.


 More information can be found in the [Accountability Mechanism Policy 2012 \(paras. 150, 155, and 204–206\)](#).

## 16. How is a complaint filed?

Complainants may file their complaints in writing, addressed to the CRO at ADB headquarters and submitted by e-mail, mail, or personal delivery. Complaints under the Accountability Mechanism may also be accepted at any ADB office, which is responsible for forwarding these, unopened, to the CRO.

The CRO ensures easy access as the first point of contact for project-affected people. The CRO facilitates and tracks the progress of the complaint in the initial stages of filing, and provides responsiveness in the Accountability Mechanism.

In the absence of prior good faith efforts to address the problem, the CRP chair (or the SPF) forwards the complaint to the operations department concerned. If complainants request confidentiality as a function of the Accountability Mechanism, such confidentiality will be maintained, when the complaint is addressed.

 More information can be found in the [Accountability Mechanism Policy 2012 \(paras. 150–152\)](#).

## 17. What are the submission requirements for complaints?

Complaints must be written in English or in any official language of the country where the project is located. Should the complainants require assistance in filing, they may approach an NGO or CSO that

they trust, to seek advice or representation. If a complaint is submitted in a language other than English, additional time will be needed for its translation.


The complaint must specify the following:

- (i) name, designation, physical address, and contact information of each complainant and the complainant's representative (if any);
- (ii) if a complaint is made through a representative, the identities of the project-affected people on whose behalf the complaint is being made and evidence of the authority to represent them;
- (iii) the confidentiality requirements of the complainants, if any;
- (iv) the complainants' choice between problem solving and compliance review;
- (v) a brief description of the ADB-assisted project, including its name and location;
- (vi) a description of the direct and material harm that has been, or is likely to be, caused to the complainants by the ADB-assisted project;
- (vii) a description of the complainants' good faith efforts to address the problems first with the operations department concerned, and the results of these efforts; and
- (viii) if applicable, a description of the complainants' efforts to address the complaint with the OSPF, and the results of these efforts.

For the sake of efficiency, a complaint form is available online ([www.adb.org/site/accountability-mechanism/how-file-complaint](http://www.adb.org/site/accountability-mechanism/how-file-complaint)). This is a three-page document requiring the minimum information for filing a complaint.

Complainants may also provide the following optional information:

- (i) an explanation of why the complainants claim that the direct and material harm alleged is, or will be, caused by the alleged noncompliance with ADB's operational policies and procedures in the formulation, processing, or implementation of the ADB-assisted project;
- (ii) a description of the operational policies and procedures that ADB is alleged to have ignored in the course of formulating, processing, or implementing the ADB-assisted project;
- (iii) a description of the complainants' good faith efforts to address the problems with the project-level grievance redress mechanism concerned, and the results of these efforts;
- (iv) the desired outcome or remedies that the complainants believe ADB should provide or help them attain through the Accountability Mechanism; and
- (v) any other relevant matters or facts, with supporting documents.

 More information can be found in the [Accountability Mechanism Policy 2012 \(paras. 150–152\)](#).


#### **18. What is a good faith effort by complainants to have their concerns addressed before lodging a complaint with the Accountability Mechanism?**

A good faith effort is an earnest effort by the complainants to seek redress or to voice their concerns through the operations department concerned, before filing a complaint under the Accountability Mechanism. After going through and carrying out good faith effort with the operations department, affected people may send a complaint

to the CRO, either for compliance review or problem solving.

Even before seeking redress with the operations department, complainants are also encouraged to first approach the project-level grievance redress mechanism to facilitate prompt resolution of issues. Though prior redress efforts made through the project-level grievance redress mechanism is not a requirement for the filing of a complaint under the Accountability Mechanism, it is recommended as a more immediate means of addressing concerns.

The recommendation for grievance redress at the project or operations department level should not be seen as a precondition for access to the Accountability Mechanism. But the lack of a good faith effort made with the operations department constitutes grounds for ineligibility (see Eligibility Criteria, page 46). If a complaint is filed with the Accountability Mechanism without prior good faith efforts to address the complaint, it is forwarded by the CRP chair (or the SPF) to the concerned operations department for appropriate action.

 More information can be found in the [Accountability Mechanism Policy 2012 \(paras. 24–27, 105, 142, 144, and 151–152\)](#).


#### **19. What differentiates compliance review from problem solving?**

Compliance review arises as a result of a complaint regarding noncompliance with ADB's operational policies and procedures as a probable cause of harm. In comparison, the problem solving function can be

triggered by any complaint of adverse effects of an ADB-assisted project, without regard to issues of noncompliance.

Compliance review has a corrective function, as it brings a project back from noncompliance into compliance with ADB's operational policies and procedures, with the implementation of Board-approved remedial actions resulting from the compliance review. The findings would benefit all affected people, regardless of whether or not they were a party to the complaint.

Figure 3 illustrates the two Accountability Mechanism functions and how they relate to the operations department's compliance and problem solving efforts and project-level grievance redress mechanism.

 More information can be found in the [Accountability Mechanism Policy 2012 \(paras. 126 and 129–130\)](#).


## 20. How will the complainants decide which Accountability Mechanism function to pursue?

Part of the information required when a complaint is filed is the complainants' choice of whether to undergo **problem solving** with the SPF or to opt for a **compliance review** with the CRP. In general, if complainants have serious concerns about noncompliance with ADB's procedures, resulting in harm to several affected persons, these concerns should most likely be addressed through a compliance review. Other project-related complaints (except those relating to corruption or integrity issues) may be forwarded to problem solving if the complainants

think that the harm is unrelated to the issue of noncompliance with ADB's procedures.

Within 2 days of receiving the complaint, the CRO furnishes the complainants with an Accountability Mechanism information packet. Since the CRO must, at all times, remain neutral in the process, the complainants are advised to study this material, which presents their options, and choose between these options on their own, with no guidance from the CRO.

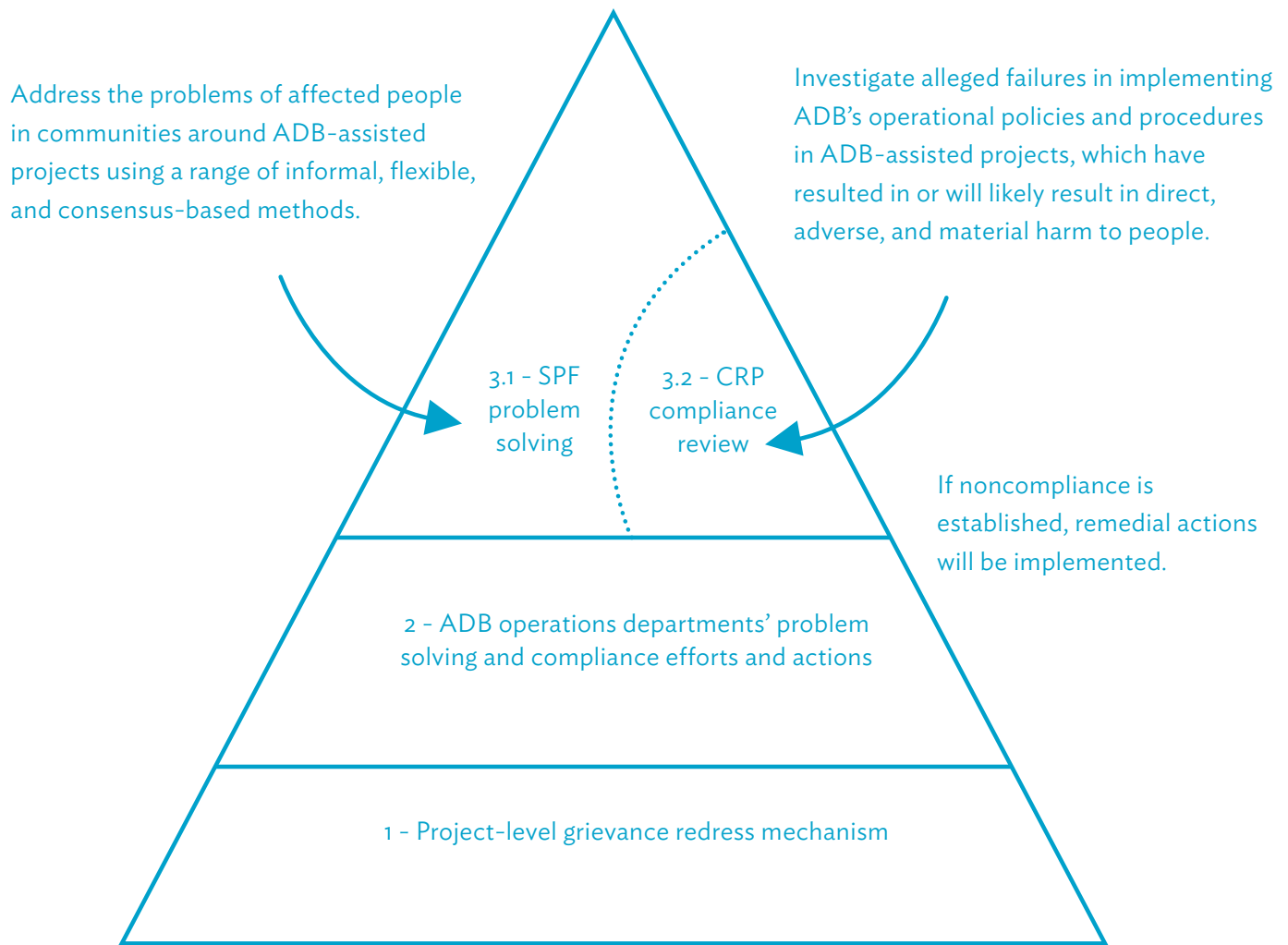
The complainants must make their choice known to the CRO within 21 calendar days. They therefore have an opportunity to study the Accountability Mechanism information packet, and make an informed choice regarding which office should address their complaints. They can either confirm their initial choice, as indicated in their complaint letter upon filing, or change it.

 More information can be found in the [Accountability Mechanism Policy 2012 \(paras. 153, 156, and 160\)](#).

## 21. Can the complainants change their original choice regarding the specific function they want to pursue, at any time in the Accountability Mechanism process?

When complainants opt for problem solving, and the process is completed (with or without agreement being reached on remedial measures), they may subsequently file a new complaint with the CRO, requesting a compliance review, if there are serious concerns over noncompliance with ADB's operational policies and procedures.


**Figure 3:** Problem Solving and Compliance Framework



ADB = Asian Development Bank, CRP = Compliance Review Panel, SPF = special project facilitator.

Source: ADB. 2012. *Accountability Mechanism Policy 2012*. Manila.

**On the other hand, complainants cannot switch from compliance review to problem solving once the process is underway. They also cannot request problem solving after a compliance review is completed. This is because compliance review warrants a broader application of remedial measures that benefit not only the specific complainants but an entire class of affected stakeholders.**

 More information can be found in the *Accountability Mechanism Policy 2012* (paras. 143, 153, and 173).

**22. Can ADB Management and staff inform affected people about the means of redress made available through the Accountability Mechanism?**

Project documents, such as the project administration manual and safeguard documents, include information about the Accountability Mechanism, as a means of redress of last resort for project-affected people. While operations departments are obliged to provide this information about the Accountability Mechanism to project-affected people, these departments are also particularly encouraged to ensure project compliance and address any complaints about the project at their organizational level, to keep the concerns from escalating.

**23. Must NGOs and CSOs meet certain qualifications set by ADB or the CRP to be certified to represent affected people?**

Except for a preference for local NGOs or CSOs based in the region where the affected people reside, no specific qualifications for representation

have been set by ADB or the CRP. Competency requirements are left to the discretion of the affected people. Where nonlocal representation is requested, it must be authorized by the CRP.

**24. Is there a specific authorization form that complainants must fill out to authorize their representative, and what should such an authorization document contain?**

A simple written authorization signed by the complainants would suffice. It must be confirmed by the CRP to take effect. This document authorizes a specific person from the NGO or CSO to represent the interests of the affected people throughout the compliance review process. Should the affected people seek any change in representation at any point in the process, the original authorization should be revoked in writing and a revised authorization document issued to confirm the change in representation.

**25. If the representatives of the affected people lose the confidence of those they represent, or if for any reason the NGO or CSO representative withdraws from participation in the complaint, would the compliance review continue?**

If there is a change in representation or a representative withdraws from participation in the complaint, the compliance review continues either with changed representation or without representation. As long as there are complainants, the compliance review will continue.

### III. COMPLIANCE REVIEW

#### 26. How can projects avoid a compliance review?

Before a project even begins, it is important for ADB Management and staff, as well as project owners (both government and private sector), to ensure that the project complies with ADB's operational policies and procedures. ADB's well-developed audit, supervision, quality control, and evaluation systems prevent and address most issues that occur during the planning and implementation of ADB-assisted projects. In addition to these system checks, having an effective and accessible grievance redress mechanism at the project level, as well as compliance efforts and problem solving at the operations department level, will ensure that any complaint is addressed immediately and concerns do not escalate to a level that demands a compliance review.

As a project goes from design to operation, the operations departments are urged to be thorough and circumspect in ensuring compliance with ADB's operational policies and procedures.

This effort begins at the project planning level, with the borrower

- (i) studying thoroughly the social and environmental impact of the project;
- (ii) studying factors that may impinge on the feasibility of the project as it pursues the advancement of inclusive and sustainable development;
- (iii) seeking consultation and consensus with communities that may be affected by the project;
- (iv) seeking consultation and consensus with experts who could impart well-founded advice;


- (v) executing preventive action that reduces the likelihood of harm;
- (vi) becoming thoroughly aware of, and applying, the country's laws and ADB's operational policies and procedures; and
- (vii) applying any and all measures that would produce better outcomes for the project.

During project planning and consultation, residents of the surrounding communities, whose lives or properties could be potentially affected, have the opportunity to participate in the consultation and outreach efforts of ADB and the project owner. Throughout the project cycle, with or without formal consultations, project-affected people can approach project implementers to voice their concerns and have them addressed, primarily through the project management office or the project grievance mechanism. This process ensures that people affected by an ADB-assisted project are able to protect their interests and the interests of their community during the design and implementation of the project.

The operations department's problem solving and compliance efforts also offer people affected by ADB-assisted projects a means of addressing their problems before a compliance review. Through these good faith efforts, ADB's complaint receiving officer and staff, as well as the borrower (government or private sector), have the opportunity to address a complaint before the concerns escalate to a level where a compliance review is the only recourse.

Ultimately, the reduction or elimination of adverse effects is premised on good design and proper implementation, following consultation and consensus

building, in compliance with both ADB's operational policies and procedures as well as the country's policies and safeguards.

 More information can be found in the [Accountability Mechanism Policy 2012 \(para. 62\)](#).

## 27. What are the responsibilities of affected people in a compliance review?

In filing a complaint, affected people are expected to be honest and straightforward in giving an account of the extent of the harm caused, or likely to be caused, to themselves or their property by an ADB-assisted project. Project-affected people are expected to collaborate with the CRP in its fact-finding and monitoring missions to identify instances of noncompliance and ensure that remedial actions are implemented.

## 28. Are borrowers (government or private sector) aware of ADB's Accountability Mechanism Policy and of their responsibilities under its terms?

Yes. ADB's Accountability Mechanism Policy for projects is discussed in project documents prepared by the borrower (both government and private sector), with support or advice from ADB.


## 29. What is the mandate of the CRP?

The CRP is a fact-finding body acting on behalf of the ADB Board of Directors (or the Board). It reports to the Board through the Board Compliance Review Committee (BCRC). The CRP determines whether direct and material harm alleged by complainants is the result of noncompliance with

ADB's operational policies and procedures in the formulation, processing, or implementation of an ADB-assisted project. It also monitors the implementation of Board-approved remedial actions after a compliance review resulting in findings of noncompliance.

For projects already under implementation, the CRP examines the applicable operational policies and procedures at the time the project was approved by the Board or the ADB President. For proposed projects that have yet to be approved by the Board or the President, the operational policies and procedures to be examined are those that were applicable at the time the complaint was filed.

In relation to a complaint sent to the SPF, a complaint that requests for a compliance review should not be construed as an appeal to a higher authority (or a validation or rejection of actions done under the problem solving function).

 More information can be found in the [Accountability Mechanism Policy 2012 \(paras. 131–133 and 145–149\)](#).

## 30. In the context of a compliance review under ADB's Accountability Mechanism, what constitutes noncompliance with ADB's operational policies and procedures?

Noncompliance is the failure of ADB to abide by its operational policies and procedures, and with relevant operational procedures in the ADB Operations Manual ([www.adb.org/documents/operations-manual](http://www.adb.org/documents/operations-manual)), in the formulation, processing, or implementation of ADB-assisted projects. When a complaint is lodged,



the CRP determines through fact-finding (step 4 of the compliance review process) if noncompliance has occurred in an ADB-assisted project.

### 31. What is the scope of a compliance review?

Compliance review covers specific ADB operational policies and procedures as described in corresponding sections of ADB's Operations Manual, where it is indicated that such policies and procedures, and only those policies and procedures, are subject to compliance review. These policies and procedures subject to compliance review do not include guidelines and similar documents or statements.

Because of their direct impact on project-affected people, the operational policies and procedures most often subject to a compliance review are


- (i) ADB's Safeguard Policy Statement (which provides for safeguards for the environment, indigenous peoples, and involuntary resettlement);
- (ii) Public Communications Policy 2011;
- (iii) Gender and Development Policy 2003; and
- (iv) Incorporation of Social Dimensions into ADB Operations.

Currently, of the 51 sections of ADB's Operations Manual, 37 are subject to compliance review. In general, noncompliance with these operational policies and procedures may result in projects causing direct and material harm. The list of ADB's operational policies and procedures that may be covered by a compliance review is found in this guidebook's Appendix.

The CRP does not consider the policies and procedures of other institutions, unless these have

been explicitly incorporated in ADB's operational policies and procedures.

An equally important factor to be considered in the compliance review is the eligibility of the complaint, according to (i) the eligibility criteria for grievances, and (ii) the exclusions from eligibility (Box 2).

 More information can be found in the [Accountability Mechanism Policy 2012](#) (paras. 142 and 144–149).

### 32. What sort of expertise is required of NGOs or CSOs to advance the interests of the affected people in a compliance review?


Fundamental to filing a complaint for a compliance review is the ability to frame the complaint in terms that show clearly which of ADB's operational policies and procedures were not complied with, resulting in actual or potential harm. This ability implies legal expertise in ADB's operational policies and procedures, as well as expertise in scientific disciplines to support the complainants' claims with sufficient documentary evidence.

When a compliance review results in remedial actions that are approved by the Board, the representing NGOs and CSOs may be called upon by ADB to assist in implementing and monitoring such actions.

### 33. Does ADB's Accountability Mechanism Policy apply where country safeguard systems are used for ADB-assisted projects?

Yes. In cases where country safeguard systems are used for ADB-assisted projects, in accordance with ADB's Safeguard Policy Statement, the use of the

country safeguard systems will not alter the role and function of ADB's Accountability Mechanism, including the roles of the CRP (and the SPF).

 More information can be found in the [Accountability Mechanism Policy 2012 \(para. 207\)](#).


**34. If the compliance review is focused on compliance with ADB's policies and procedures, to what degree does the CRP engage with governments of DMCs and ADB's private sector borrowers?**

Compliance review is focused on ADB's capacity to advise the borrower toward performing in accordance with ADB's operational policies and procedures. Compliance review does not directly inquire into the conduct of government or the private sector borrower, unless this information is relevant to an assessment of compliance with ADB's operational policies and procedures.

**A compliance review will not investigate the borrowing country, the executing agency, or the private sector client. The CRP meets these other parties, including their consultants, to better understand how ADB Management performed or acted to ensure compliance of a project with ADB's operational policies and procedures.**

During site visits and meetings, the CRP seeks to understand how ADB conducted itself with government officials or private sector personnel in ensuring compliance with its operational policies and procedures, across all stages of the project, from design to implementation.

It is important to note that all official requests from the CRP for project documents or consultative meetings are routed through ADB Management, as the operations departments deal directly with ADB's borrowers or clients and not with the CRP.

 More information can be found in the [Accountability Mechanism Policy 2012 \(paras. 130 and 177-194\)](#).

**35. What are the practical solutions that may result from a compliance review?**

While remedies for the adverse effects of an ADB-assisted project may vary depending on the circumstances of noncompliance, such practical solutions may include appropriate compensation, resettlement, retraining for alternative livelihoods, and technical assistance in many forms (such as in the monitoring of environmental conditions, the conduct of technical studies, or capacity building activities). Such remedies may be provided only if justified by the findings of the compliance review, and remedial actions proposed by ADB Management must be approved by the Board and require the consent of the project owner before they can be implemented.

**36. Who pays the cost of remedial actions?**

While ADB instigates the remedial actions, legal ownership of the project lies with the borrower. The project owner's cooperation is critical to the implementation of remedial actions formulated by ADB Management in consultation with the borrower. Before the remedial action plan is sent to the Board for approval, it is a must that ADB Management receives the agreement of the borrower on the plan in writing.

### Box 2: Eligibility Criteria for Complaints

The compliance review addresses grievances that concern and affect the entire project funded by the Asian Development Bank (ADB), and not just specific, individual components.

The following complaints are excluded from the compliance review function:

- (i) actions unrelated to ADB's actions or omissions in the course of formulating, processing, or implementing ADB-assisted projects;
- (ii) matters that complainants have not made good faith efforts on, to be addressed by the operations department concerned;
- (iii) issues concerning an ADB-assisted project for which the loan or grant closing date was more than 2 years earlier;
- (iv) matters that are frivolous, malicious, trivial, or generated to gain competitive advantage;
- (v) decisions made by ADB, the borrower or executing agency, or the private sector client regarding the procurement of goods and services, including consulting services;
- (vi) allegations of fraud or corruption in ADB-assisted projects or misconduct by ADB staff;
- (vii) issues related to the adequacy or suitability of ADB's existing policies and procedures;
- (viii) issues regarding the jurisdiction of ADB's Appeals Committee or ADB's Administrative

Tribunal, or issues relating to ADB personnel matters; and

- (ix) ADB's nonoperational administrative matters, such as finance and administration.


The compliance review function also excludes complaints that

- (i) relate to actions for which other parties, such as the borrower, executing agency, or potential borrower, are responsible, unless the conduct of these other parties is directly relevant to an assessment of ADB's compliance with ADB's operational policies and procedures;
- (ii) do not involve noncompliance with ADB's operational policies and procedures;
- (iii) are being dealt with by the special project facilitator up to the completion of Step 3 under the problem solving function;
- (iv) relate to the laws, policies, and regulations of the borrowing country, unless they relate directly to compliance with ADB's operational policies and procedures; and
- (v) are about matters already considered by the Compliance Review Panel, unless the complainants have new evidence previously not available to them, and the subsequent complaint can be readily consolidated with the earlier complaint. In such cases, any resubmission or consolidation of a complaint should occur within 2 years of the loan or grant closing date.

Source: ADB. 2012. *Accountability Mechanism Policy 2012*. Manila. pages 29-30.

Implementation may entail the cost of additional compensation and infrastructure relating to resettlement and other environment-related mitigation measures. Studies may be required prior to implementation. ADB can facilitate grants and extend technical assistance for such studies, to enable government agencies to undertake resettlement; aid other agencies in delivering livelihood training and other interventions; and provide the means for monitoring the effectiveness of the remedial measures, such as requisitioning air or water quality monitoring equipment.

Both ADB and the borrower or project owner are committed to ensuring that ADB projects improve and do no harm to people and the environment. Both therefore have a stake in bringing ADB projects back into compliance with ADB's operational policies and procedures.


 More information can be found in the [Accountability Mechanism Policy 2012 \(paras. 59–62 and 190\)](#).

### 37. Can complaints go through the local or national legal system and to the compliance review process simultaneously?

Yes, complaints can go through the compliance review process and the domestic legal system at the same time, as these are independent systems with different rules, objectives, and expectations. Since these investigations have mutually distinct goals, different conclusions and different outcomes may result.

A compliance review provides a determination on the issue of project compliance specific to ADB's operational policies and procedures. It does not provide judicial remedies, such as injunctions or monetary damages. Unlike a court verdict,

a compliance review is not a punitive but a constructive measure, as the focus is on bringing back a project from noncompliance into compliance with ADB's operational policies and procedures. Its purpose is institutional effectiveness and improved governance. As a corrective measure, it addresses complaints through remedial actions, with improved project outcomes as the goal.

 More information can be found in the [Accountability Mechanism Policy 2012 \(para. 130\)](#).

### 38. Can NGOs or CSOs seek government support in advocating the interests of the affected people?

Each DMC is represented on the Board. Through its representative, the interests of a country and those of its citizens should be well served.

When NGOs and CSOs raise awareness with a DMC government on the adverse conditions in a complaint, they are essentially lobbying government to

- (i) act on the rights of affected people; and
- (ii) advocate action by the Board through its representative, to address the cause of harm and remedy the adverse conditions.

Though conflicts of interest may conceivably be inherent, the government as a project owner has an overarching responsibility to look after the welfare of its citizens. Moreover, as ADB's shareholders and partners in development, DMC governments stand by the aims of ADB in advancing inclusive and sustainable development in the region.

Similarly, government has a responsibility to protect citizens' rights in an ADB-assisted private sector project. Though there are limits to its actions, a

government may wield influence through policy-making tools and the country's systems, to rectify the situation or prevent a recurrence in the future. The compliance review may also serve as an institutional learning mechanism for that purpose.


**39. Since site visits may be part of the 10-step compliance review process, what happens when the government or the private sector borrower declines to grant a requested site visit?**

For both sovereign and nonsovereign projects, site visits take place in consultation with the government of the member country where the project is located. Site visits may proceed only with the consent of the government and the private sector borrower. ADB expects cooperation from governments and private sector borrowers, as its partners in development.

If requests for site visits are declined, the CRP will continue its compliance review and deliver findings without a site visit, drawing appropriate inferences from all available information. Without the necessary site visit, the CRP may give added weight to the complainants' views. In such a case, ADB Management will discuss the reasons behind the refusal with the government and the borrower (if government is not the borrower) and, in consultation with the BCRC and the government of the country where the project is located, convey those reasons to the Board through an information paper.

In coordination with ADB operations departments, logistical assistance may also be requested of the project owner (government and private sector borrower) when site visits are requested by the CRP.

The operations department concerned is requested to facilitate the site visit by coordinating with the project owners and the government of the country where the project is located.

 More information can be found in the [Accountability Mechanism Policy 2012 \(paras. 76–82 and 198–201\)](#).

**40. Would the postponement of a site visit be tantamount to a refusal of a site visit by the government or the private sector borrower?**

Not necessarily, as a site visit may be postponed with good reason by the government or the private sector borrower. Justifiable reasons include the threat of inclement weather, an inhospitable season during the time of the proposed site visit, or security concerns in a project location that need to be mitigated before a CRP mission can be allowed entry into the area. Such reasonable deferment should still be followed by the granting of permission for a site visit, to be scheduled when conditions are favorable.

**41. Should representatives of the project owner (both governments and private sector borrowers) accompany the CRP during site visits and in meeting the complainants?**

The CRP appreciates the assistance extended by project owners in the coordination of site visits. Representatives of the government or the private sector project owner usually accompany the CRP during project site visits for them to pinpoint exact location of works and provide project implementation details based on the plans. Representatives of the government or the private sector project owner usually accompany the CRP during

project site visits, for them to pinpoint the exact location of works and provide project implementation details based on the plans. However, they are not required to be in the CRP's meetings with the complainants, as their presence may inhibit the affected people from voicing their concerns without fear, jeopardizing the important results to be gained from a compliance review.


The CRP will definitely not meet with the complainants or their representatives in the presence of the borrowers or ADB Management.

#### 42. Does the CRP consider the views of the concerned NGOs or CSOs and affected people?

There are at least three stages in the 10-step compliance review process when the views of the affected people, particularly the complainants would be important:

- (i) Step 5, during the 45-day period allowed for comments on the CRP's draft report;
- (ii) Steps 8 and 9, during the preparation of remedial actions; and
- (iii) Step 10, during the monitoring of remedial actions.

The CRP meets with the complainants, with their representative/s (if there is/are) and other affected people, and relevant NGOs or CSOs (as necessary) during the eligibility determination, fact-finding, and monitoring missions. On these occasions, the CRP explains to the complainants and/or other affected persons the mission's objective, clarifies expectations, solicits their views, briefs them on its initial findings, and explains the next steps in the compliance review process

 More information can be found in the [Accountability Mechanism Policy 2012](#) (paras. 185–188 and 190–191).


#### 43. How long does it take for a compliance review to be completed? Why does ADB have specific deadlines for certain compliance review steps and a flexible time frame for other steps?

While some procedures in a compliance review are time-bound, some processes are complex and dependent on factors that may stretch over an indefinite period.

Postponements or rescheduling due to unforeseen circumstances, like weather or security concerns, may also happen. A flexible period is similarly allowed for the translation of documents into local languages, for requests for extension to provide time to gather information or to file documents, and for the conduct of the compliance review itself.


In general, complainants are expected to be informed of the outcome of the Board's decision on the CRP's final report about 200 working days after the registration of the complaint, but this period excludes the time spent on processes with an indefinite time prescription. Based on the eight cases that have gone through compliance review, it takes on average

- (i) 1 year and 2 months from complaint registration to issuance of the CRP's final report to the Board;
- (ii) a maximum of 60 working days for ADB Management to formulate remedial actions, in consultation with and agreement of the borrower;
- (iii) 21 days for the Board to consider such remedial actions; and
- (iv) 3 years for the CRP to monitor the implementation of the remedial actions.

 More information can be found in the [Accountability Mechanism Policy 2012](#) (paras. 177–188).

#### 44. If complainants withdraw their complaint, will the compliance review cease?

Complainants can exit or disengage from the compliance review process at any time. Once they do so at steps 1 to 2, the process comes to an end. Further, switching from compliance review to problem solving midway through the compliance review process, or requesting problem solving after the completion of a compliance review is not allowed. Only complaints deemed ineligible by the CRP may be submitted to the SPF.

 More information can be found in the [Accountability Mechanism Policy 2012 \(para. 153\)](#).

#### 45. What if the complaint is resolved while the compliance review is ongoing?


The CRP will continue the compliance review, in accordance with its mandate to provide an institutional mechanism for improving ADB's project design and implementation, and will complete the compliance review by producing its report to the Board.

In this report, the CRP will recognize the efforts of ADB Management to address the issue of noncompliance, and take note of the fact that while there was noncompliance at some point in the project cycle, the process of rectifying the circumstances behind the noncompliance has already brought the project back into compliance before the conclusion of the review. Swift action by ADB Management to address the noncompliance during the compliance review may do away with the need for remedial actions.

#### 46. How long are remedial actions to be monitored?

To ensure that a project is brought back into compliance and any adverse effects are effectively addressed, the implementation of remedial actions is monitored. Monitoring generally does not exceed 3 years from Board approval of remedial actions. At the CRP's request, site visits, possibly including meetings with implementing agencies or the stakeholders concerned, may need to be arranged on its behalf by ADB Management and staff.

Should there be a need to extend the monitoring, the BCRC must recommend and endorse such an extension, for approval by the Board.

 More information can be found in the [Accountability Mechanism Policy 2012 \(paras. 192–194\)](#).

#### 47. What should complainants do when a problem arises during the implementation of remedial actions?

The remedial action plan includes effective monitoring by the CRP, to ensure that the goal of bringing the project back into compliance with ADB's operational policies and procedures is met, and to mitigate further issues. Should unforeseen problems arise, complainants are urged to report any adverse situation to the CRP, for resolution by the appropriate departments. These concerns could also be raised with the CRP when it meets with the complainants during its annual monitoring missions or at any time during its monitoring.

#### 48. What reports are required during the monitoring stage of the compliance review?

Complaints lodged under ADB's compliance review are varied, necessitating a diversity of remedial actions. The monitoring methods and reporting requirements are prescribed in the remedial action plan, as would be appropriate to the remedy chosen for the purpose of attaining project compliance. Aside from the regular reports on the progress of remedial actions, and depending on the remedial action plan for the project, ADB Management may be required to undertake studies and submit reports based on particular indicators, such as health conditions, livelihood studies, or noise impact assessment. The submission to the CRP of quarterly or semiannual progress reports on the implementation of remedial actions may also be indicated in the remedial action plan.

#### 49. Can NGO or CSO representatives expect compensation from the award due to affected people in a remedial action?

NGOs or CSOs should not expect any direct compensation from the award given to affected people as a remedial action.

#### 50. What could be the role of NGOs or CSOs in the implementation of remedial actions?

ADB partners with NGOs and CSOs in many different ways. Discussed in this guidebook are the NGOs' and the CSOs' participation in a compliance review as organizations voluntarily supporting the complainants—which is not remunerated. During the implementation of remedial actions after a compliance review/investigation, there may be

- business opportunities open to NGOs and CSOs as ADB and/or borrowers hires consultants to
- (i) deliver capacity building or livelihood training for project-affected persons;
  - (ii) monitor social aspects of projects; to develop information material;
  - (iii) organize consultations or to implement livelihood or self-help group activities; or
  - (iv) support the implementation of other remedial actions.

NGOs may visit the business opportunities page of ADB ([www.adb.org/site/business-opportunities/main](http://www.adb.org/site/business-opportunities/main)) for information on how to register and be updated about projects that may need their services.

#### 51. If the remedial action plan requires adjustment, will the Board reconvene to approve any revision on the resolution?

The remedial action plan, on which the CRP's monitoring of remedial actions is based, is a Board-approved document. Therefore, adjustments made in the remedial action plan also need Board approval, unless these adjustments are delegated by the Board to the BCRC.

#### 52. If more complainants come forward after the remedial action plan is approved by the Board, how will that affect the implementation of the remedial actions?


A compliance review may result in remedial actions that apply to the whole project and all the affected persons, not just the complainants. Affected people may provide feedback on the implementation of remedial actions at any point during the monitoring by the CRP, particularly as the latter meets with these people during its annual project site monitoring visits.



**53. Does the CRP have enough resources to manage the myriad of complaints that the office has to handle?**

In the interest of efficiency and as stipulated under the Accountability Mechanism Policy, the number of CRP members is fixed at three, and OCRP maintains a lean staff of three. The budget of the CRP is approved by the Board, and is allotted the flexibility to accommodate the demand-driven needs of the CRP. These needs include hiring technical experts as consultants, as necessary

during the compliance review. If the CRP requires more personnel and financial resources to address complaints, additional resources may be requested for approval by the Board, with the endorsement of the BCRC and in consultation with the ADB President.

 More information can be found in the [Accountability Mechanism Policy 2012 \(paras. 118–119\)](#).

## Appendix: ADB's Operational Policies and Procedures Covered by Compliance Review

Group	New OM No.	Subject	Old OM No.	Date Issued	Subject to Compliance Review
<b>A</b>	<b>Country Classification and Country Focus</b>				
	1	Classification and Graduation of Developing Member Countries	1	5-Jan-18	No
	2	Country Partnership Strategy	45	20-Sep-16	Yes
	3	Allocation of Concessional Resources	n. a.	8-Jan-18	No
<b>B</b>	<b>Regional and Subregional Cooperation</b>				
	1	Regional Cooperation and Integration	28	30-Jun-10	Yes
<b>C</b>	<b>Sector and Thematic Policies</b>				
	1	Poverty Reduction	48	14-Jul-04	No
	2	Gender and Development in ADB Operations	21	6-Dec-10	Yes
	3	Incorporation of Social Dimensions into ADB Operations	47	6-Dec-10	Yes
	4	Governance	54	23-Dec-10	Yes
	5	Anticorruption	55	4-Oct-10	Yes
	6	Enhancing the ADB's role in Combating Money Laundering and the Financing of Terrorism	56	1-Jul-10	Yes

n. a. = not applicable, OM = Operations Manual, X = no OM exists or policy paper has yet to be written.

Group	New OM No.	Subject	Old OM No.	Date Issued	Subject to Compliance Review
<b>D</b>	<b>Business Products and Instruments</b>				
	1	Lending Policies for Sovereign and Sovereign-Guaranteed Borrowers (Ordinary Capital Resources)	3	24-Feb-14	Yes
	2	Lending and Grant Policies (Concessional Assistance)	4	21-Sep-17	No
	3	Sector Lending	5	29-Oct-03	Yes
	4	Policy-Based Lending	6	8-Aug-16	Yes
	5	Sector Development Programs	17	29-Oct-03	Yes
	6	Financial Intermediation Loans	6	15-Dec-03	Yes
	7	Disaster and Emergency Assistance	24, 25	15-Apr-15	Yes
	8	Guarantee and Security Arrangements for ADB Loans	19	15-Dec-03	Yes
	9	Credit Enhancement Operations	31	18-Dec-07	Yes
	10	Nonsovereign Operations	7	24-May-16	Yes
	11	Sovereign Operations	34	27-Feb-17	No
	12	Technical Assistance	18	13-Mar-17	No
	13	Exposure and Investment Limitations on Nonsovereign Operations (nondisclosable in accordance with the Public Communications Policy 2011, paragraph 97, [viii].)	n. a.	31-Jul-15	No
	14	Multitranche Financing Facility	n. a.	01-Jan-18	Yes
	15	Transaction Advisory Services	n. a.	20-Oct-17	Yes
	16	Project Readiness Financing	X	19-Oct-18	No

n. a. = not applicable, OM = Operations Manual, X = no OM exists or policy paper has yet to be written.

Group	New OM No.	Subject	Old OM No.	Date Issued	Subject to Compliance Review
<b>E</b>	<b>Partnerships</b>				
	1	Financing Partnerships	29	3-Oct-14	Yes
	2	Japan Fund for Poverty Reduction	n. a.	1-Mar-11	Yes
	3	Development Partnerships	26, 27	28-Aug-17	No
	4	Promotion of Cooperation with Nongovernment Organizations	23	29-Oct-03	Yes
<b>F</b>	<b>Safeguard Policies</b>				
	1	Safeguard Policy Statement	n. a.	1-Oct-13	Yes
<b>G</b>	<b>Analyses</b>				
	1	Economic Analysis of Projects	36	17-Mar-17	No
	2	Financial Management, Cost Estimates, Financial Analysis, and Financial Performance Indicators	35	12-Mar-14	Yes
	3	Poverty and Social Analysis	n. a.	Under preparation	No
<b>H</b>	<b>Financial</b>				
	1	Financing of Interest and Other Charges During Construction	9	18-Jul-06	Yes
	2	Financing Indirect Foreign Exchange Cost of Projects	10	22-Oct-08	Yes
	3	Cost Sharing and Eligibility of Expenditures for ADB Financing	11	12-Jan-17	No
	4	Retroactive Financing	12	12-Jan-17	No
	5	Additional Financing	13	24-Feb-11	Yes
	6	Use of Surplus Loan Proceeds	14	29-Oct-03	Yes
	7	Foreign Exchange Risk	15	19-Dec-08	Yes

n. a. = not applicable, OM = Operations Manual, X = no OM exists or policy paper has yet to be written.

Group	New OM No.	Subject	Old OM No.	Date Issued	Subject to Compliance Review
<b>J</b>	<b>Project Administration</b>				
	1	Project Performance Management System	22	28-Oct-11	Yes
	2	Consultants	39	06-Aug-13	No
	3	Procurement	38	06-Aug-13	No
	4	Loan Covenants	40	29-Oct-03	Yes
	5	Effectiveness of the Loan Agreement	41	29-Oct-03	Yes
	6	Disbursement	42	27-Feb-17	No
	7	Project Financial Reporting and Auditing	43	05-Aug-15	Yes
<b>K</b>	<b>Evaluation</b>				
	1	Independent Evaluation	44	01-Oct-13	No
<b>L</b>	<b>Other Policies and Operational Procedures</b>				
	1	Accountability Mechanism	49	24-May-12	Yes
	2	Internal Audit	51	15-Dec-03	No
	3	Access to Information Policy	52	28-Jan-19	Yes
	4	No-Objection Procedure	X	12-Jan-17	No

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## Resources for Further Review

Asian Development Bank. 2009. *Safeguard Policy Statement 2009*. Manila.

<https://www.adb.org/site/safeguards/main>.

———. 2012a. *Accountability Mechanism Policy 2012*. Manila.

<https://www.adb.org/documents/accountability-mechanism-policy-2012>.

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# Disclaimer

This guidebook serves only to provide information about the compliance review function of ADB's Accountability Mechanism Policy 2012. Should discrepancies arise between this guidebook and the Accountability Mechanism Policy, the policy and its related operations manual section (Operations Manual L.1) will prevail.

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For more information on the Asian Development Bank's Accountability Mechanism, visit: [www.adb.org/site/accountability-mechanism/main](http://www.adb.org/site/accountability-mechanism/main).











## **A Guidebook on the Compliance Review Function of ADB's Accountability Mechanism For Affected People, Nongovernment Organizations, and Civil Society Organizations**

This guidebook explains the compliance review function of the Accountability Mechanism of the Asian Development Bank (ADB) which is the grievance redress platform of last resort for people and communities who may be unduly, adversely, or potentially affected by ADB-assisted projects. It aims to equip affected people and their nongovernment organization and civil society organization partners with a better understanding of the compliance review function, including the roles of various stakeholders. In doing so, it will enable affected people and their representatives to more effectively address concerns that may arise during project planning and implementation.

### **About the Asian Development Bank**

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 68 members—49 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

