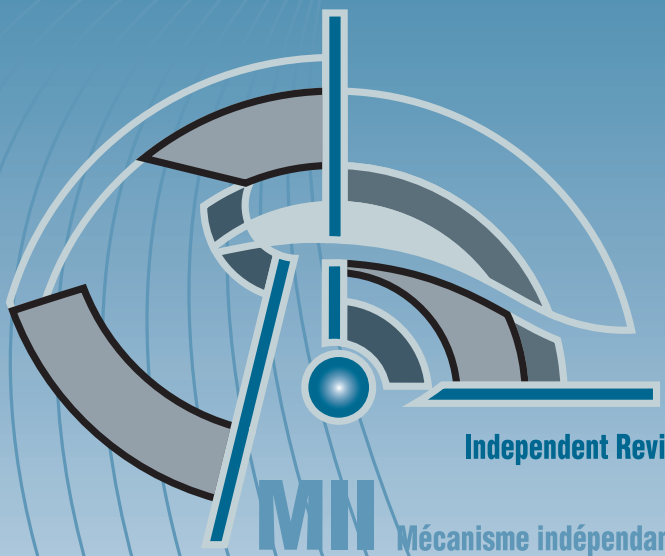
The Independent Review Mechanism

Annual Report 2013



IRM

Independent Review Mechanism

MIN Mécanisme indépendant d'inspection

AFRICAN DEVELOPMENT BANK GROUP

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Acronyms and Abbreviations

AfDB	African Development Bank Group
CRMU	Compliance Review and Mediation Unit
CSOs	Civil Society Organizations
IACD	Integrity & Anti-Corruption Department
IAM	Independent Accountability Mechanism
IFI	International Financial Institution
IRM	Independent Review Mechanism
LTS	Long Term Strategy (2013-2022)
MAP	Mediation Action Plan
MDB	Multilateral Development Bank
NGO	Non-Governmental Organization
PAP	Project Affected People
PIU	Project Implementation Unit
RMC	Regional Member Country
RSSP II	Road Sector Support Project II
SARC	Southern Africa Regional Resource Center of the AfDB
SEGL	Vice Presidency & General Secretariat
TANROADS	Tanzania National Roads Agency

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Foreword from Director, CRMU

Foreword from Director, CRMU


Mr. SEKOU TOURE, Director CRMU

The African Development Bank Group (AfDB) has in place a robust system of oversight and accountability, comprising several instruments[1]. The Independent Review Mechanism (IRM), administered by the Compliance Review and Mediation Unit (CRMU), is part of this system to reinforce accountability and transparency in Bank operations. The CRMU performs three main functions: the administration of the IRM, problem-solving/mediation and outreach. The Boards of Directors established the IRM in 2004 for the purpose of providing people adversely affected by a Bank financed project, with an independent mechanism through which to submit their complaints to the Bank and request the Bank to comply with its policies and procedures. The IRM compliance review is carried out by external independent Experts, appointed by the Boards of Directors of the Bank Group.

Since it became operational in mid-2006, the IRM's activities have resulted in increased awareness of Bank policies and procedures, compliance review processes and mediation practices as well as in the development of knowledge, both internally within the Bank, and externally amongst project affected people and civil society organizations (CSOs). The Boards of Directors approved the IRM Operating Rules and Procedures on 27 July, 2006 and these were amended on 16 June, 2010 as a result of the first review of IRM performance.

The critical experience gained through the handling of complaints affected people from has also enabled the identification of some challenges associated with compliance review processes, including IRM engagement with Bank Management and other stakeholders, and the need for extensive outreach, information dissemination, training, cooperation and consultation across the board. The merit of problem-solving and mediation approaches is being recognized, thus emphasizing the need for developing a credible and relevant system that reinforces the Bank's ability to anticipate potentially problematic projects.

In this context, 2013 saw the culmination of several very pertinent developments in the Bank that have a bearing on the IRM. The Bank adopted its 10-Year Strategy and a series of major operational policies and guidelines, including the Private Sector Policy and Guidelines, the Integrated Safeguards Systems, the Coal Guidelines, the Disclosure and Access to Information Policy and the Engagement Framework with Civil Society. The IRM's activities in 2013 were guided therefore by these developments and by a strategy aimed at strengthening the implementation of the mechanism's work program with focus on:

1. Renewed attention to the handling of problem-solving and compliance review requests;
2. Enhancing the IRM's visibility through training and strategic engagement with the Boards of Directors, Management and operations staff, civil society organizations, project implementation units and other key stakeholders, such as local communities;
3. Strategic planning of the second review of the IRM; and
4. Development of knowledge and perspectives on complaint handling in Africa with emphasis on comparing the performance of the IRM with that of Independent Accountability Mechanisms of other international financial institutions with operations in Africa.

[1] The Office of the Ombudsman, the Administrative Tribunal, the Office of the Auditor General, the Integrity and Anti-Corruption Department, the Ethics Office, the Operations Evaluation Department and the Independent Review Mechanism.

With another year ending, the IRM continues to demonstrate its usefulness as a recourse tool for project affected people and, for the Bank, as an instrument to effectively respond to such complaints. This is important given the Bank's aim of enhancing development by making a difference in the lives of project beneficiaries. Progress made in this context of compliance review work and problem solving initiatives, adds to the value and image of the Bank among member countries, counterpart international financial institutions and its other key partners and stakeholders.

This year has seen the satisfactory conclusion of some cases, such as the requests related to the Road Support Project II in Tanzania and the Dakar-Diaminiado Highway Project in Senegal. The IRM Experts have engaged in a positive policy dialogue with Management and the Boards. The extensive institutional outreach has resulted in improved understanding of the IRM and its processes among the Executive Directors, Management and other Bank staff. With information sessions on the IRM organized in Southern and West Africa, the CRMU was able to reach out to key affected people, local communities, civil society organizations, project beneficiaries, project implementation units, governments and private sector entities.

Major challenges still lie ahead. The monitoring of the case related to the Medupi power project in South Africa is ongoing. In addition, the success of the outreach efforts still needs to be evaluated, as does ascertaining whether all pertinent complaints reach the IRM. Institutional learning as well as support to project implementation units still lack the attention they deserve. Some of these challenges will be attended to in the recently initiated second review of the IRM.

Sekou Toure



Message from the IRM Roster of Experts

Message from the IRM Roster of Experts

The 10th anniversary of the establishment of the Independent Review Mechanism is an important milestone for the Bank. Far more important than simply the passage of ten years, has been the periodic reaffirmation of the purposes of the IRM by all stakeholders: Members of the Boards, Bank Management and staff, civil society, regional and non-regional governments, development partners and many others. Until the decision was taken to create the IRM in 2004, it would have been unthinkable to have an "independent" accountability mechanism to help the Bank become more democratic. Today, the question is how to make it more effective.

The essential fact is that the IRM is now an accepted element of the development landscape in Africa, facilitating and providing witness to the need for transparency and broad participation in sustainable development. The IRM complements the steady strengthening of Bank policies and standards evident in the new Integrated Safeguards System, and it does this by partnering with the intended beneficiaries of Bank-financed projects. The beneficiaries are thereby empowered to be the eyes and ears of the Bank in the project area to ensure that Bank staff and its implementation partners fulfill the commitments of projects in all aspects.

We, the Boards appointed Experts of the IRM, appreciate the opportunity to serve the Bank and to reinforce its values of transparency, participation, sustainability, and broad-based social and economic development. We believe that the IRM can do more in fulfillment of its mandate, and look forward to the overall review of the accountability mechanism in 2014 with the goal of being a world-class institution equal to that in any other multilateral development bank. We also actively pursue opportunities to support accountability outside the context of specific complaints, with the Boards, as well as with Management through consultations and sharing of lessons from the IRM experience. The integrity of the Bank deserves no less than the strongest contribution of all stakeholders to meeting its development mandate.

Richard E. Bissell
Arntraud Hartmann
Mafing Konde

Executive Summary



Executive Summary

In 2013, CRMU followed up three requests registered in previous years for problem-solving.

The first was a complaint received regarding the Road Support Project II in Tanzania. This request concerning resettlement and compensation issues was registered in July 2012 for problem-solving. In October 2012, the CRMU facilitated the signing of an action plan by the Requestors, the project promoter, Tanzania National Roads Agency (TANROADS), and the Bank, to resolve the complaint. The action plan was updated in June 2013 to accelerate the implementation of pending settlement actions. The CRMU is monitoring the implementation of the updated Mediation Action Plan and will submit a Problem-Solving Report on this Request to the President and the Boards in the first quarter of 2014.

Another problem solving initiative, related to the Marrakech-Agadir Motorway Project in Morocco. This request, complaining about constrained community access to lands, water and social amenities, was registered for problem-solving and compliance review in July 2010. CRMU mediation resolved the complaints to the satisfaction of the Requestors with the result that the IRM Experts deemed the compliance review unnecessary. The CRMU will conduct a mission to Morocco to close the problem-solving exercise in February 2014, and will submit a Problem-Solving Report for the information of the President and the Boards of Directors.

The CRMU closed the request related to the Dakar-Diaminiado Highway Project in Senegal. This request, registered for problem-solving in July 2011, concerned compensation for the demolition of a primary school and tenants' properties. The CRMU facilitated the signature of settlement agreements by the Requestors and the project promoter, APIX. The CRMU mission to Senegal concluded that APIX had fulfilled its obligations.

The CRMU/IRM also continued this year with two ongoing cases, previously registered for compliance review: The Bujagali Hydropower and Interconnection Projects in Uganda and the Medupi Power Project in South Africa. Issues of resettlement, cultural heritage and the environment were the subject of the complaint regarding the Bujagali Hydropower and Interconnection Projects. The request was registered in June 2007 for compliance review and following the investigation and report to the Boards, four monitoring missions were undertaken by the CRMU. The CRMU followed up on the recommendation of the 4th IRM Monitoring Report requiring Management to include an assessment of the compensation and resettlement outcomes in the project completion reports. However the project completion reports will not be prepared until 2015 so, as an interim measure, Management will submit a progress report on the implementation of the Action Plan for these projects for IRM assessment in 2014 and the IRM will submit its assessment of the progress report to the Boards in 2014.

The request releting to the Medupi Power Project, South Africa, was registered in October 2010 and raised issues of inadequate stakeholder consultation and risks to public health and the environment. The IRM Compliance Review Report was submitted to the President and the Board in January 2012. On the basis of the Action Plan prepared by Management, and the CRMU's recommendation, the Boards approved the IRM's two step approach to monitoring the implementation of the Management Updated Action Plan.

The IRM Experts and the Director of the CRMU will undertake their assessment and field mission in 2014 and report to the Boards.

Several initiatives were taken in 2013 to improve the visibility of the IRM, including two familiarization visits to Tunis by IRM Experts, in March and September 2013, during which they held Bank-wide consultation meetings with Members of the Boards of Directors, including new Executive Directors, Senior Management and Bank Operational Staff. These meetings focused on the role, function and importance of the IRM, the IRM performance review, and the prospects for the IRM's contribution to the Bank's 10 Year Strategy, 2013-2022.

External outreach activities included two sub-regional workshops in South Africa and Ghana and participation in national stakeholders' workshops in Namibia and the Democratic Republic of Congo to sensitise representatives

of civil society organisations (CSOs), governments, project implementation units (PIUs), parliaments, accountability and oversight institutions, and the media to the role and functions of the IRM. The IRM participated in the 10th Annual Meeting of IAMs of international financial institutions (IFIs) hosted by the Inspection Panel of the World Bank in Washington D.C. in September 2013.

Training was part of the CRMU's efforts to enhance its knowledge management function and to build the capacities of Bank staff. Two problem-solving skills/mediation training sessions were organised for operations staff at Bank field offices located in the Southern and Western African regions. The training held in Pretoria in September was attended by 24 staff from the Bank's Southern Africa Regional Resource Center (SARC), while the session held in Accra, in November was attended by 21 staff members from Bank offices in Ghana, Ivory Coast, Liberia, Mali, Nigeria, Senegal, Sierra Leone and Togo.

Also, the second review process of the IRM was launched with the Boards of Directors approving the Terms of Reference for the IRM review itself and those of the Consultant to undertake the review. These were approved on 18 September 2013; the consultant was recruited on 17 December 2013.

A study was initiated to focus on the requests handled by the Independent Accountability Mechanisms (IAMs) of multilateral development banks in Africa in 2013. Data and information has been collected on the requests received by these IAMs.

The IRM Experts met on several occasions with Bank Management throughout 2013 and exchanged views with the Policy Department to acquaint themselves with key areas under consideration for new policies and to clarify the framework for engagement when the IRM Experts undertake compliance review investigations.





1. Problem-Solving - Requests



Consultation with Project Affected People, Tunduru Mjini, Tanzania

1.1 Introduction

In 2013, the CRMU continued handling three requests relating to Bank transport-sector projects in Senegal, Morocco and Tanzania which had been registered for problem solving in 2010, 2011 and 2012 respectively. The CRMU resolved these requests to the satisfaction of the Requestors, project promoters and the Bank, [hereinafter, the Parties] and monitored the implementation of settlement agreements signed under the problem solving-exercises facilitated by the CRMU. The two requests from Senegal and Tanzania were submitted by affected people while the complaint from Morocco was submitted by an NGO on behalf of affected local communities. It is worth noting that the presence of an NGO as a requestor in the case of Morocco, and as a witness in the case of Senegal, was instrumental in facilitating the understanding of the IRM Rules and Procedures by the complainants and other affected people. The NGOs played an important role in monitoring the implemented actions during the problem solving exercise.

Resettlement and compensation were the key issues raised by the Requestors in the cases of Tanzania and Senegal. Complaints about the lack of public consultation and communication with project promoters were common to the three requests while resettlement actions under each project varied. For example, in the Tanzanian case, cash compensation was the preferred option, while in Senegal the project affected people (PAPs) were given the choice of relocating to resettlement areas constructed by the project promoter or receiving cash payments. In Morocco, there was no physical resettlement *per se* but the project offered local communities a wide range of key social services as well as improved access to water and agricultural lands.

In general, the proactive approach of the Bank's Transport Department, and Compliance and Safeguards Division was essential to the articulation and implementation of the Mediation Action Plans in the three cases. This effort helped full coordination with the project promoters and the Requestors and led to joint visits by the CRMU and the Parties to affected

areas, and the communication of challenges to the prompt implementation of settlement actions.

Time constraints are important in the implementation of settlement agreements. The IRM Rules stipulate that the problem-solving exercise should be completed within thirty (30) working days. The experience of handling the three requests has proved that this period is inadequate due to the nature of remedial actions, which require longer implementation time.

For instance, the project promoters have to obtain necessary licenses and approvals from other relevant national authorities to carry out agreed civil works, or prepare compensation and valuation reports. With respect to the alignment of Bank policies with national laws and the timely implementation of projects, the project promoters relied in different ways on joint principles of resettlement of financing institutions, their own national laws and standards. The projects in Morocco and Senegal were implemented earlier than planned while that in Tanzania was delayed due to the continuous update of the Resettlement Action Plan to bring the project into compliance with the Bank's loan agreement as well as national regulatory and policy frameworks. The sections below cover the specifics of each request, including the results of the problem-solving exercise and the lessons learned by the CRMU.



Tunduru-Mangaka Road Section, with Tunduru Town at a distance

1.2 The Road Sector Support Project II, Tanzania - Request (RQ2012/1)

On 10 June, 2012, the CRMU received the request relating to the Tanzania Road Sector Support Project II (RSSP II) from two Tanzanian nationals representing other people affected by the project (PAPs).

The Requestors complained that the project promoter, Tanzania National Roads Agency (TANROADS), had requested the demolition of their properties without compensation because these properties were considered by TANROADS as unlawfully built on a road reserve. Upon the complainants' demand, the CRMU registered the request for problem-solving on 25 June, 2012.

With the consent of the Parties (Requestors, TANROADS and the Bank), the CRMU facilitated the IRM problem-solving exercise to resolve the request. As a result, the Parties signed a Mediation Action Plan (MAP) on 18 October, 2012 to address the compensation of the Requestors and to set remedial measures for the resettlement of PAPs over the entire three sections of the road.

At a second round of mediation held in Tanzania on 18 June, 2013, the MAP was updated to accelerate the implementation of pending settlement actions. The actions implemented under the MAP include:

i. In the first road section (Babati-Dodoma), where construction work will begin and where the request originated, TANROADS paid compensation to the Requestors and to other PAPs in the same road section. On 23 September, 2013, TANROADS completed the revaluation of land to compensate Requestors and other PAPs for other structures on their properties (such as kitchens) that will not be affected *per se* but which will be rendered useless due to the demolition of the main structures of their houses (such as bedrooms). The revaluation report was submitted to the Chief Valuer for approval. Subsequently,

the CRMU received a copy of the Bank's letter to TANROADS dated 5 December, 2013 which considered the project effective for first disbursement with effect from 27 November, 2013. In the same letter, the Bank encouraged TANROADS to conclude compensation payments for revalued land before demolishing properties of the Requestors and the PAPs, and to resolve PAPs' pending disputes lodged with the Grievance Redress Mechanism before the start of construction work of this road section.

ii. TANROADS established dispute resolution committees at the village, ward, and district levels for the three road sections.

iii. TANROADs conducted a wide public sensitization campaign along the three road sections to inform PAPs of the implications of withdrawing the demolition notices, and of their resettlement and compensation entitlements and payments schedules.

iv. TANROADS updated the Resettlement Action Plans for the three sections. During the monitoring phase, TANROADS should provide the CRMU with status reports on the compensation of PAPs, and on the provision of resettlement benefits (such as social services, establishing small business, etc.), particularly for vulnerable groups. These resettlement benefits are yet to be offered to PAPs and would enable them to redeem their livelihoods.

v. The CRMU will monitor the implementation of the updated MAP to ensure that resettlement issues are addressed for the entire three sections of the road and to the satisfaction of the Parties.

vi. The CRMU will submit the Request Problem-Solving Report, for information, to the President and the Boards of the Directors of the Bank Group in January 2014.



CRMU Consultation with PAPs at Msinyasi Village



CRMU Consultation with PAPs at Mkowela village

1.3 The Construction of the Marrakech-Agadir Motorway, Morocco - Request (RQ2010/1)

This request was registered by the CRMU on 29 July, 2010, for problem-solving and compliance review. The request was submitted by the Centre for Development of Tensfit (CDRT), based in Marrakech, Morocco, on behalf of affected communities living along the Chichaoua–Imintanout section of the Bank-financed motorway. The request alleged that the mo-

torway constrained community access to their lands, water and social amenities.



A section of Marrekech-Agadir Motor way

The CRMU facilitated the problem-solving exercise and the resulting signature of a time-bound action plan by the Parties (the project promoter, Société Nationale des Autoroutes du Maroc (ADM), the Bank and the Requestors).

The issues resolved by ADM and considered closed by the Parties in 2011 to the satisfaction of the Requestors included:

i. Blasting: Damage to the houses in Douar Sidi Mohamed Samba and the separation of their mosque from Douar by the motorway. Eight residents of Douar Sidi Mohamed Samba situated at the Chichaoua interchange (Section RN8) complained about serious cracks in the walls of their homes as a result of the explosives used by the contractor, MaK-Yol Company. ADM provided the PAPs with building materials and helped them repair the cracks (with the exception of one affected person who opted to seek recourse in the national courts).

ii. Lack of road crossing infrastructure in Bouafiren-Chichaoua on the Chichaoua-Imintanout road section. The Requestors complained about the lack of pedestrian crossings across the motorway. However, after meeting with ADM, where ADM explained how the road was designed, the Requestors agreed with ADM that there were sufficient crossings. As a result, the CRMU was able to validate that the Requestors were in agreement with ADM's position that there are sufficient crossings; and also acknowledged that ADM had cleaned and cleared the areas surrounding these crossings.

iii. Lack of road crossing infrastructure and disruption of watercourse and runoff in Douar Jdida and Douar Hssain. The Requestors complained that the residents in Jdida and Hssain Douars (villages), located along the Chichaoua-Imintanout section, have difficulty, firstly, crossing the motorway due to a lack of road crossing infrastructure, and secondly, in accessing water as a result of disruptions to the watercourse and runoff caused by the motorway construction. ADM undertook civil works to improve the runoff drainage system in the affected area and extended the un-faced gutter along the RN8, near the toll station, by calibrating and fencing it properly.

iv. Destruction of the traditional dam and lack of road crossings in Douar Talmest and Mellal (Commune de Oued Elbour). The Requestors stated that the populations of the Talmest and Mellal Douar, and those along the Imintanout-Argana highway section, complained that the contractor had destroyed their traditional dam. They also alleged that there is no road for these people to cross the highway. ADM and the requestors agreed that dredging by the contractor had improved the water retention capacity of the dam that the riparian population has started to reuse for their water supply. Regarding the crossing of the highway, both parties agreed that the PP68 (2.5m x 2.5m) provides access, and the people also have the possibility to use other access roads built for the riparian population and their livestock.[2]

v. Degradation of the road connecting RN8 Road to Bouabout village. The Requestors stated that the Bouabout population complained that the movement of heavy ma-

[2] On 5 August, 2010, the complainant Amenzas Association and the contractor, Technovia signed an agreement under which the rural roads and one seguia (rivulet) were constructed for neighboring areas, within a period of two months.

chines had degraded the road linking the RN8 road to their Douar. ADM argued that the movement of machines was only occasional because this road is narrow. However, for social purposes, ADM reinforced the existing invert slab already on the road.

In light of the actions above by ADM, the Director of the CRMU submitted the Problem-Solving Report for information to the President and the Boards of Directors on 15 December, 2011. The Report recommended that the CRMU monitor the resolution of two pending complaints relating to building water catchment in Taalint and the rehabilitation and demarcation of agricultural lands destroyed by gravel-sand from Oued El Bour valley.

In 2012, the CRMU received information from the Requestors that ADM had stopped carrying out civil works because it had not received the consent of landowners to enter their properties. In consultation with the Transport Expert at the Bank office in Morocco, the CDRT and ADM, it was agreed that CDRT obtain the consent of the owners and ensure their participation during the cleaning and demarcation of their agricultural lands.

ADM launched a new bidding process at the end of January 2013 for contractors to undertake civil works in these two affected areas (Taalint and Oued Elbour), owing to the fact that the project had been completed and the contractor had removed its equipment from the site.

On 5 January, 2013, the Bank, the Requestor and ADM conducted a mission to Taalint and Oued El Bour, with ADM signing an undertaking to deliver civil works by June 2013. By December 2013, the Bank provided evidence to the CRMU that ADM had addressed these pending issues as described below.

i. Degradation of land following change of watercourse in Douar Imiliine (Commune de Oued El Bour). The Requestors complained that following the extraction of building materials from El Bour Oued (valley) in the Douar d'Imiliine for constructing the Imintanout-Argana motorway section, the contractor diverted the watercourses and the strong flows of the wadi causing inundation of parts of the locality, damaging agricultural lands which had already been degraded by the movement of heavy machines. During February and May 2013, ADM restored and demarcated the affected agricultural land and strengthened the valley benches to prevent future flooding of the area. The Requestor and affected people signed off the completion of work statement.

ii. Destruction of water sources and inadequate road crossing at Douar Taliint (Commune d'Oued El Bour). The Requestors stated that during the construction of the highway, the contractor destroyed a sacred Ain (water spring) which had been one of the water supply sources in the Douar. The residents also considered the highway crossing road to be "too narrow" and argued that an overpass should have also been built. ADM considered the construction of a standard 2.5 m x 2.5m pedestrian crossing PP68 as adequate, allowing the movement of people and animals across the motorway. The pre-construction consultation of the site log and implementation plans, had noted that there was no sacred water source in this area. ADM, the Requestor and the population of the Douar, confirmed that a hydraulic structure is located about 1 km from the tunnel entrance, with dimensions appropriate to the drainage of water between the two sides of the highway; and a second hydraulic structure, located 500m from the tunnel entrance, serves to drain runoff water from the mountain into the bed of the existing wadi. In addition, between these two hydraulic structures, there is a 2.5m x 2.5m pedestrian underpass (PP68) for residents to cross the motorway. In addition, pedestrian tracks had been constructed on both sides to access the motorway. The problem of water supply is crucial and must be addressed in the Douar which is home to 150 households (1,000 inhabitants). ADM completed the agreed building of a water catchment basin as a short term solution, on 27 May, 2013, while the Bank contacted the government to explore additional programs for establishing a sustainable water supply for this Douar. Requestors and affected people signed off the completion of work statement. The Bank provided the CRMU with a copy of ADM's clearance Cer-

tificates of Completion of Civil Works signed by the Requestors in December 2013.

In February 2014, the CRMU will conduct a mission to Morocco to close the problem solving exercise and submit the Closure of Request Report for the information of the President and the Boards of Directors of the Bank Group.

1.4 The Dakar – Diamniadio Highway Project, Senegal -Request (RQ2011/1)

This request was registered for problem-solving by the CRMU on 26 June, 2011. It was submitted by affected people, specifically the Principal of a school and a group of tenants, whose houses were to be demolished by the project. The Requestors complained about the negative impact on the Imam Moussa Mbaye Franco-Arab School created by the project, and the insufficient compensation for affected tenants. Under CRMU problem-solving exercice, the Requestors and the national project promoter, APIX, signed Settlement Agreements in 2011. The Director of the CRMU submitted the Problem-Solving Report for this Request to the President and the Board of Directors on 3 January, 2012. The CRMU conducted a monitoring mission to Senegal between 17 and 21 December, 2012 that recommended monitoring the implementation of settlement agreements. In accordance with Paragraph 40 of the IRM Rules, the CRMU conducted the monitoring mission in Senegal from 18 to 21 December, 2012 to assess the implementation of mitigation measures by APIX, as provided in the Settlement Agreements. The CRMU held two meetings with the parties and the Project Task Manager at the Bank office in Senegal (SNFO), and visited the new location of the school.

The CRMU held a meeting, on 19 December, 2012, at SNFO attended by the Requestors (the Principal of the affected school and representatives of CLAP), the representative of APIX, the Project Task Manager at SNFO and the representative of the NGO, LEAD Afrique Francophone, who was the rapporteur. Participants discussed APIX's progress in implementing the Settlement Agreement. The first Requestor, the Principal of the school, acknowledged that APIX had fulfilled its commitments, and was satisfied with the compensation received which had enabled him to resettle the school in improved conditions. The representative of the second request, CLAP, also confirmed that APIX had met all its financial obligations towards them. In addition, CLAP and APIX organized an information meeting on conditions of affiliation to a cooperative for CLAP members. This was held on 20 January 2013, at the headquarters of the Coordinating Committee for the Development of Guinaw-Rails, with the participation of a specialist in housing cooperatives and the NGO Inge SAHEL/Enda Graf.



In the end, CLAP agreed with APIX that its support should remain technical while CLAP pursues the legal procedures to establish its cooperative. With APIX's implementation of mitigation measures, and the results of the monitoring mission, the CRMU Problem-Solving Report submitted to the Boards on 18 February, 2013, concluded that:

i. APIX had honored all its commitments under the Settlement Agreements to the satisfaction of the Requestors;

ii. APIX had provided the CRMU, on 9 January, 2013, appropriate evidence (an electronic copy of an official letter) that it had requested the Department of Agriculture in charge of the establishment of housing cooperatives to assist CLAP in setting up a cooperative to help its mem-

bers access land ownership. CLAP agreed to make direct contact with the department.

In light of the above, and in accordance with Paragraphs 39 and 40 of the IRM Rules, the issues raised in the Request relating to the Dakar-Diamniadio Highway Project were considered successfully solved.

1.5 Identifiable Trends and Lessons Learnt from Problem-Solving Cases

Trends

i. **The Bank's prompt preparatory missions.** Bank Management has kept the CRMU informed of planning for its missions, prior to submitting responses to requests to the CRMU. These responses provide key and up-to-date information on the status of complaint handling relating to the project undergoing problem solving exercises.

ii. **Monitoring of cases.** The CRMU's monitoring reports on the progress in implementing Settlement Action Plans provided important information for project promoters so as to address gaps and problems on the ground.

iii. **Problem-solving exercises**. These kept channels of communication between Requestors and project promoters open, allowing them to be involved in the implementation of settlement agreements. The problem-solving exercise brings issues to the fore, and facilitates their resolution in a timely fashion. There are other issues pertaining to the long term nature of the implementation of project Resettlement Action Plans (RAPs) where Bank supervision is critical in ensuring sustainability in the delivery of remedial and settlement actions and within the specific period of the problem-solving exercise.

Implementation of Bank Policies

i. The Bank could strengthen relations with communities in project areas by facilitating community involvement in the project promoters' public sensitization campaigns, in particular to ensure sustained dissemination of information about the Bank's safeguards policies to PAPs.

ii. The Bank and project promoter should diligently review project related studies and project resettlement action plans to ensure they align with Bank approved project appraisal and loan agreements. In addition, the project promoter should supervise the contractors' agreements with local communities on the use of their lands and ensure that contractors fulfill all obligations before leaving the sites.

iii. The Bank should ensure that resources allocated for compensation and resettlement are fully used for these purposes. The project completion reports should include a section on the results of the project promoter's compliance with compensation and resettlement plans as stipulated in project documents, and settlement agreements resulting from problem-solving exercises.

Project Development Outcomes

- Project promoters should systematically disclose compensation information to PAPs to ensure the timely payment of compensation to PAPs prior to the demolition of their properties, and in the handling of any resulting complaints without causing extensive delay to the commencement of construction work for the relevant sections of the road.

- Project promoters should adopt a participatory valuation process whereby PAPs are notified in advance, by specified dates, when the valuation will take place to ensure their presence during the process to validate their properties, and to sign the valuation inventory forms in the presence of the village authority and project promoter. Once the valuation is done, validation by compensation committees, the project promoter/project implementation unit and local authorities should ensure all PAPs and their properties are included in compensation schedules prior to seeking the approval of the evaluation reports from the Chief Valuer.

- Early establishment of compensation and grievance committees is necessary. These mechanisms should be inclusive and the project promoter should facilitate PAPs' easy access to them, both as representatives, and as ultimate users. These committees should have adequate resources and an appropriate system to handle complaints. The project promoter could seek the support of grass roots organizations or NGOs to raise PAPs' awareness and to ensure their timely access to these mechanisms.

- The project promoter should adopt a public information strategy to keep PAPs informed during the entire period of project implementation, paying particular attention to the distribution of compensation and resettlement benefits from gender equity perspectives

- The capacity of the public relations offices of the project promoters needs to be strengthened so as to become an entry point for registering complaints, to handle environment/resettlement issues and to effectively respond to PAPs' queries.

- Resettlement should take a development approach by paying full replacement cost and avoiding depreciation, to cover the owners having to rebuild new structures. Sometimes PAPs anticipate higher amounts of compensation than recommended under existing laws and regulations, indicating a gap between national policies/regulation and people's expectations of compensation amounts. Particular attention should be paid to the needs of disadvantaged and vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children including those without legal title to assets and female-headed households. Appropriate assistance must be provided to help these groups cope with relocation, and to improve their living conditions. From experience, the project promoter should address the needs of these groups upon implementation of the project's RAPs, and not later in the resettlement process.

2. Compliance Review Requests Handled by the IRM Experts



Medupi Power Plant, South Africa, under construction

2.1 Introduction

In 2013, the CRMU/IRM followed up on two requests relating to power-sector projects financed by the Bank Group in Uganda and South Africa which were registered for compliance review (investigation) in 2007 and 2010 respectively. The complaint from Uganda was leveled against the Bujagali Hydropower and Interconnection Projects and the CRMU/IRM conducted four monitoring missions between 2009 and 2012 to ensure the implementation of the action plan prepared by the Bank Management and approved by the Board of Directors in 2009. The objective of this plan was to bring the projects into compliance with the applicable Bank Group policies and procedures.

With regard to Medupi Power Project in South Africa, the CRMU/IRM monitoring of implementation of the Management Action Plan submitted in November 2012, was approved by the Boards of Directors on 13 February, 2013.

2.2 The Bujagali Hydropower and Interconnection Projects, Uganda- Request (RQ2007/1)

The CRMU registered this request for compliance review on 16 May, 2007. The Requestor, a national NGO, complained about several issues including inadequate social and environmental impact assessment and lack of consultation with the affected communities.

The Board of Directors authorized the compliance review on 7 September, 2007, and endorsed the Compliance Review Report of the IRM Panel on 9 July, 2008.

In May 2009, the Board also approved the Management Action Plan to address non-compliance issues identified in the IRM report and to bring the projects into compliance with applicable Bank Group policies and procedures.

Between 2009 and 2012 the CRMU/IRM submitted to the Boards four monitoring reports which identified progress in implementing the Action Plan prepared by Management and highlighted pending issues for the Bank to follow up. The 4th IRM Monitoring Report, submitted to the Boards and the President on 9 October, 2012, recommended that the Bank ensure that the outcome of compliance issues relating to resettlement and compensation are included in the project completion reports submitted in 2013 as per the Management Action Plan. The report concluded that if the IRM considers these completion reports satisfactory, no further monitoring need be conducted.

In September 2013, Management informed the CRMU and the IRM Experts that the completion reports of the two projects will be prepared in 2015 instead of 2013.



Bujagali Dam and surrounding community group

This is because the Bujagali Hydropower Project is a private sector operation and its completion will be reported in an Extended Supervision Report (XSR) which should take place during the early maturity of the project; i.e. about 30 months after the commissioning of the project. This report is due in 2015.

The completion report for the Interconnection Project, a public sector operation, will be prepared in 2015 since the project promoter will utilize the savings from AfDB and JICA loans to upgrade the capacity of the Bujagali switch yard from 132 kV to 220 kV. Accordingly, both financiers extended the last disbursement date to March 2015. This being the case, Management will prepare and submit to the CRMU in 2014, a progress report on the implementation of the Management Action Plan approved by the Boards in May 2009. The CRMU/IRM Experts will assess this progress report to determine the status of implementation of the Management Action Plan, and will submit a report to the Boards in 2014.

2.3 The Medupi Power Project, South Africa - Request (RQ2010/2)

This request was registered by the CRMU for compliance review on 28 September, 2010. It was submitted by two South African nationals who requested that their identities be kept confidential. In accordance with Paragraph 8 of the IRM Rules, and, after verifying the legitimacy of the Requestors, the Director of the CRMU granted the confidentiality of their identities.

The Requestors complained about the negative environmental and social impacts of the project raising a wide range of issues. These included inadequate public consultation with affected people, the high public health risk due to the project's gas emissions, and air and soil pollution. The Board of Directors approved the IRM compliance review of the project on 15 July, 2011 and the IRM Panel of Experts submitted their Compliance Review Report to the Board on 29 January, 2012. The Board discussed the Compliance Review Report and the relevant Management Response and Action Plan on 19 September, 2012, approving the Management Action Plan together with the IRM monitoring process, on 13 February, 2013. At the request of the

IRM, Management submitted an updated remedial Action Plan on 31 July 2013. In accordance with the IRM monitoring process, Management will undertake supervision missions to South Africa and prepare supervision reports to assess progress on issues raised by the IRM compliance report. Management submitted the first Progress Report on the Implementation of the Updated Action Plan to the Boards of Directors in mid-December, 2013. This Report consolidates the outcome of Management's three supervision reports between June 2012 and September 2013.



Medupi Power Plant under construction

According to the approved two-step IRM project monitoring, the CRMU/IRM Experts will conduct a desk review assessment of the supervision reports prepared by Management and conduct a site visit to the project in South Africa. The IRM Experts will undertake a desk review assessment of the Management Progress Report in the 1st quarter of 2014. The IRM Monitoring Team will then conduct a field mission to South Africa to meet with the borrower ESKOM, national authorities, and the Requestors to validate the actions undertaken and reported on in Management's progress reports. The IRM Monitoring Report will be submitted to the President and the Boards by mid-2014.

2.4 Identifiable Trends and Lessons Learnt from Compliance Review Cases

Trends

i. Bank Management consulted with the IRM during the preparation of the progress report on the implementation of the updated Management Action Plan for the Medupi Power Project. It should be noted that the World Bank Inspection Panel handled a similar request regarding Medupi. It is encouraging to see efforts to mainstream the World Bank Inspection Panel and the IRM recommendations in Action Plans of both IFIs and that the borrower and Managements of both IFIs are aligning efforts to redress complaints. The IRM work could thus enhance the capacity of borrowers and ensure complementarity with other independent accountability mechanisms, since the World Bank Inspection Panel does not have a monitoring function such as the IRM.

Lessons Learnt from the Compliance Review Cases

i. Regular consultations between the IRM and Management on the status of requests under compliance review provide shared information and speed up the investigation and preparation of reports to be submitted to the Boards. In particular, more realistic time lines would enable the preparation of the Management Action Plan and facilitate its implementation, while recognizing that complainants deserve rapid responses.

ii. Management should inform CRMU ahead of time when information for a project under investigation will be late.

iii. Changes in policies at the time of an investigation make the compliance review exercise challenging. In the cases of Bujagali and Medupi, the Bank projects were developed under a prior energy policy and at a time when the social and environmental policies did not completely agree with each other. With encouragement from the IRM, the Bank adopted a new energy policy and an Integrated Safeguards System in 2013.

iv. A major challenge exists in implementing Bank resettlement policy when the same complaint is also submitted to national courts. The continued existence of differences between national policies on resettlement, and well-established Bank policies, continues to cause difficulty for Bank staff to fully comply with Bank policies and procedures.



3. Enhancing IRM's Visibility



CRMU Consultation, Accra

3.1 Introduction

The CRMU's 2013 outreach strategy was informed by three overarching themes:

i. Promoting transparency and good governance in its partnerships and activities with stakeholders in Regional Member Countries of the Bank Group, a priority area of the Bank's 10 Year Long Term Strategy (LTS) 2013-2022;

ii. Collaborating with other Bank units and departments sharing similar outreach objectives of promoting transparency and good governance; and critically,

iii. The second IRM review to be conducted in 2014.

The CRMU's outreach activities in 2013 (Figure 1 below) were focused on the strategic dissemination of IRM information to local communities, affected people and other key project stakeholders, as well as on enhancing IRM visibility at local, national, regional and international levels. Meaningful engagement with civil society organizations (CSOs), project implementation units (PIUs) and government ministries and agencies in Regional Member Countries (RMCs) was emphasized to better serve and reach out to local communities affected by Bank-financed projects.

3.2 Internal Outreach

3.2.1 Bank-wide Consultation Meetings

In March and September 2013, the CRMU organized a series of Bank-wide consultation meetings between the IRM Experts, and Senior Management and Executive Directors (EDs) to discuss issues including the IRM upcoming review in 2014 and prospects for IRM contribution to the Bank's LTS. A series of seminars was dedicated to taff on Bank operations and safeguards, and on the role and contributions of the IRM to the effectiveness of Bank operations; and to staff of other Bank's oversight instruments on how they and the IRM contribute to the promotion of accountability as articulated in the LTS.

The consultations resulted in sensitizing Senior Managers, relevant Bank staff and newly elected Executive Directors

(EDs) on the IRM, its importance, functions and role. Discussions took stock of experience gained in the handling of requests in previous years, the IRM Rules and Procedures as well as issues of effective collaboration between IRM Experts and Bank staff in conducting compliance review cases.

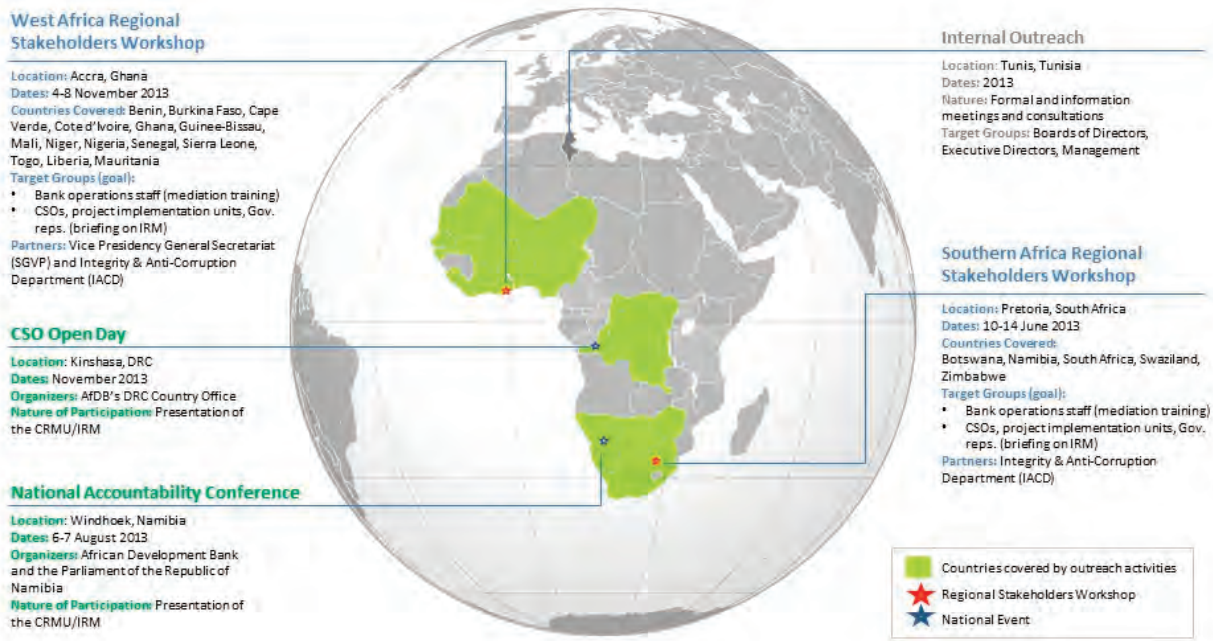
Preserving IRM independence and increasing its visibility were recurring themes discussed with all stakeholders. The CRMU also shared ideas on future strategies to steer the IRM in a direction that will best serve the objectives of the Bank, as well as the upcoming IRM review due in 2014.

3.2.2 Policy Dialogue

The IRM Experts interacted on several occasions with Bank Management throughout 2013 to enhance the quality of Bank policies by reflecting on lessons learnt by the IRM. This was the case for the Private Sector Policy and Guidelines, the Coal Guidelines as well as the Integrated Safeguards System.

Also, the IRM Experts discussed key areas under consideration for new policies with the Policy Department and clarified the procedures for engagement when IRM Experts undertake compliance review investigations.

Figure 1: CRMU Outreach, 2013



With the IRM Operating Rules and Procedures articulating clearly the purview of the IRM on requests related to Bank policy non-compliance in private sector and other non-sovereign guaranteed projects, the role of the IRM in private sector operations was discussed, with regard to the Bank's emphasis on its private sector operations and the upcoming IRM review.

3.2.3 Lessons Learnt from Internal Outreach Activities

The key issues from the CRMU's Bank-wide consultations include the following:

i. There was consensus about the independence of the IRM and its mandate to deliver its functions effectively;

ii. Efforts should continue to support a constructive relationship between the IRM and Management with more regular and open communication. This is of particular importance to knowledge development on compliance review and mediation within the Bank;

iii. In light of the need for learning and knowledge to enhance the quality of Bank project delivery, strengthening the CRMU's advisory role was identified as a proven tool to inform Bank compliance and to strengthen its mediation and grievance handling approaches;

iv. Outreach, information sharing and dissemination are essential, as are more proactive approaches by the CRMU towards project affected people, local communities, Bank Management and staff, borrowers, CSOs and RMCs, etc.;

v. Together with other oversight and relevant accountability departments of the Bank, the participants agreed on joint and specific efforts to build synergies and collaborate in various joint outreach and information dissemination activities. It was suggested that these departments could prepare a joint information document on their mandate and role to provide a one shop information dissemination tool. The Departments will explore with the Secretary General the organizing of a joint information dissemination side event during the Bank's annual meeting in 2014;

vi. Outreach and information to the borrowers, project beneficiaries and the CSOs was considered crucial and the CRMU was encouraged to work with these stakeholders in a more strategic manner; and

vii. The upcoming IRM review is an opportunity to take stock of the challenges encountered by Management and the IRM as well as to enhance the IRM's institutional structure.



Participants at a CRMU workshop at the Bank's Souther Africa Resource Center

3.3 External Outreach

External outreach activities focused on IRM participation at the Annual Meeting of the Accountability Mechanisms of other IFIs, as well as on presenting the IRM to government and project implementation entities, and on dialogue with civil society organizations. The activities benefitted 141 CSOs and 91 national government agencies and project implementation units in 21 RMCs.

3.3.1 IRM Presentation to government entities, project implementation units, CSOs/NGOs and other key stakeholders

10th ANNUAL MEETING OF INDEPENDENT ACCOUNTABILITY MECHANISMS (IAMs)
Washington D.C., USA, 25-27 September, 2013

The CRMU, represented by the IRM Experts, the Director and Chief Compliance Officer, participated in the 10th Annual Meeting of IAMs of International Financial Institutions (IFIs)[3] hosted by the Inspection Panel of the World Bank in Washington D.C. Issues covered included: accessibility to IAMs, the relationship between harm and noncompliance with policies, strengthening the activities of IAMs network, the relationship between the IAMs and the Boards, the periodic review of internal rules and procedures of the IAMs, and the IAMs' triple functions, namely compliance review, mediation and advisory.

SOUTHERN AFRICA REGIONAL STAKEHOLDERS WORKSHOP
Pretoria, South Africa, 13-14 June, 2013

The CRMU co-organized with the Integrity & Anti-Corruption Department (IACD), a Regional Stakeholders Workshop in Pretoria, South Africa on 13-14 June 2013 on the theme of "Ensuring effective accountability and transparency processes in Bank-financed projects." The Stakeholders Workshop was attended by 30 participants from specialized government ministries and agencies, project implementation units (PIUs) and civil society organizations (CSOs) active in the fields of accountability and transparency, anti-corruption, local development, media, energy and environment. Participants attended from Botswana, Namibia, South Africa, Swaziland and Zimbabwe. The workshop highlighted the work of the CRMU and the mandate of the IRM. Discussions emphasized the role CSOs can play as a conduit for affected communities to access the Bank's recourse mechanism, as well as in exploring the role of governments and PIUs in ensuring compliance with Bank policies and safeguards. Among the key messages from the discussions was the need to bolster Bank and CRMU outreach, to reach local communities, and develop partnerships to bridge the information gap.

WEST AFRICA REGIONAL STAKEHOLDERS WORKSHOP
Accra, Ghana, 4-8 November, 2013

The CRMU collaborated with the office of the Vice Presidency & General Secretariat (SEGL) and the Integrity & Anti-Corruption Department (IACD), to organize a Regional Stakeholders Workshop on the theme of "Ensuring effective disclosure, accountability and transparency processes in Bank-financed projects" on 4-6 November 2013 in Accra, Ghana. The workshop brought together 60 participants from 14 West African countries representing governments, project implementation units, civil society organizations, and the media. Presentations covered the mandate, key features, and rules and procedures of the IRM, while the participating stakeholders shared their learning from experience and explored how to better address the challenges faced by project affected people. These discussions resulted in concrete recommendations on how, on the one hand, CSOs can facilitate access to the IRM and assist in the problem-solving process and, on the other, how PIUs can implement remedial actions to redress the grievances of affected communities and optimize the reach of project benefits to those communities. Ideas and recommendations from the works-

hop's deliberations will be included in the IRM review to be carried out in 2014.

NAMIBIA NATIONAL ACCOUNTABILITY CONFERENCE

Windhoek, Namibia, 06-07 August, 2013

The CRMU accepted an invitation by the AfDB's Southern Africa Regional Resource Center (SARC) to participate in the National Accountability Conference held in Windhoek, Namibia on 6-7 August, 2013. This event was organized by the National Assembly of the Republic of Namibia with African Development Bank sponsorship. The conference, organized under the theme of "Working towards Coordinated Strategies in Strengthening the Accountability Process in Namibia", aimed to promote collaborative oversight and strengthen the strategic partnership to enhance accountability and transparency in the country. The conference provided a platform for disseminating information about the IRM and for illustrating the role the mechanism plays in fostering accountability within the AfDB, thereby safeguarding development results. The IRM presentation to 70 participating members of parliament and representatives of accountability institutions, government agencies, and media in Namibia, represents an initial contact that could be cultivated and sustained as the Bank develops high risk projects in the country.

AfDB CIVIL SOCIETY OPEN DAY

Kinshasa, Democratic Republic of Congo, 3 December, 2013

The CRMU participated in the AfDB-Congolese Civil Society Organizations Open Day organized by the Democratic Republic of Congo Country Office on 3 December, 2013 in Kinshasa, DRC. The AfDB-CSO Open Day engaged more than 100 participants representing local CSOs in a constructive dialogue to inform them of the Bank's CSO Engagement Framework, its policies and strategies, its areas of intervention as well as the Bank's willingness to establish partnerships with CSOs to improve development effectiveness. The CRMU's participation focused on answering CSOs' queries about the IRM, and on highlighting the role of CSOs in holding the Bank accountable for its operations in the country. The majority of those present were unaware of the existence of the IRM and welcomed the idea of a recourse mechanism to redress problems that may arise from Bank-financed projects. A number of questions following the presentation of the IRM were linked to Bank support to CSOs in terms of capacity building and financing, and how far the relationship between CRMU and CSOs can be developed beyond the requestor and/or facilitator role. This issue merits consideration in the upcoming IRM review.

3.3.2 Lessons Learnt from external outreach activities

Chief among the observations made by workshop participants is that the Bank needs to bolster its outreach and consultation work by improving the knowledge people have of its operations (e.g. project details, financing, costs, impact, Bank recourse mechanisms). According to participants, enhanced outreach and improved consultations could help identify the Bank as a local resource. Additionally, the Bank needs to reach out to local and disadvantaged communities. Those most affected by Bank-financed projects do not necessarily have access to the information they require There is therefore a need for partnerships to bridge the information gap (i.e. the "extension" role CSOs can play in facilitating the sharing of information with communities that the Bank may not reach). These observations are particularly relevant to the CRMU and should reinforce its outreach strategy. During the workshops, CSOs proposed some general guiding principles and modalities of engagement between them and the Bank:

i. Engaging CSOs and establishing partnerships between them and the Bank from the beginning is identified as key;

[3] The IAMs represent the complaints offices of the African Development Bank, the International Finance Corporation, the World Bank, the Inter-American Development Bank, the Asian Development Bank, the European Investment Bank, the European Bank for Reconstruction and Development, the Japanese Export Agency, the Japanese International Development Agency, the American Overseas Private Investment Corporation, the Canadian Extractive Industries and the Compliance Unit of the United Nations Development Programme.

ii. Developing and articulating modalities of engaging CSOs to ensure effective and lasting collaboration (e.g. establishing a secretariat for CSOs; consideration also to be given for capacity building for CSOs);

iii. Creating a platform to facilitate engagement between CSOs, governments and the Bank;

iv. Engaging CSOs during community consultations to ensure effective discussions with concerned parties within the community and the early identification of contentious issues;

v. Monitoring and evaluation of the Bank's engagement with CSOs and communities is needed.

Among the recurring concerns of CSOs during the various outreach activities has been financial and capacity building support. Possibilities suggested by CSO representatives include CSOs playing a "contractual" role of facilitator, mediator and sensitizer. During the upcoming IRM review 2014, it could be valuable to consider how the relationship between CRMU and CSOs can be deepened, what that cooperation could look like and the implications, positive or negative.

From the perspective of government, the issue of outreach/consultations was noted as important. Participating government representatives noted that when development projects fail to have the desired development impact or cause unintended harm, greater engagement is needed. They also stressed the need to highlight the positive aspects of controversial projects in order to maintain perspective in the face of problems.

The CRMU should continue to collaborate with the Quality Assurance and Results Department (ORQR). Similarly, the involvement of ORQR in CRMU outreach activities proved invaluable in presenting the Bank's Integrated Safeguards System and its implications for compliance review.

3.3 Capacity Building Activities

3.4.1 Problem-Solving/Mediation Training for Bank Staff

The CRMU's capacity building activities for the year consisted of a series of mediation training sessions for Bank staff, part of a pilot initiative launched in 2010 with the objective of helping Bank staff to acquire the skills needed to understand and to participate effectively in IRM problem-solving exercises.

The training sessions were based on a problem-solving guide, elaborated with the collaboration of the Dispute Resolution Center (DRC), based in Kenya, and tailored to guide staff through the problem-solving steps and to equip them to handle issues raised before they are submitted as requests to the CRMU, or when they represent the Bank when such issues are handled by the CRMU through problem-solving.

Problem-Solving Tree



Two problem-solving training sessions for Bank operations staff were held. The first in Pretoria, South Africa on 20 October 2013 was delivered to 24 staff from the Bank's Southern Africa Regional Resource Center (SARC). The second session in Accra, Ghana on 6-7 November trained 21 staff from nine Bank field offices in the West Africa region (Ghana, Cote d'Ivoire, Burkina Faso, Liberia, Mali, Nigeria, Senegal, Sierra Leone and Togo). The mediation training focused on developing staff skills in dispute resolution and in other contentious issues arising from the preparation and implementation of projects. In addition, methodological approaches and practical experience from ongoing and completed mediation and problem-solving cases were shared. The training sessions provided an opportunity to engage staff on the potential for the CRMU to play a preemptive role early in the project cycle and not only when triggered by the registration of a complaint, in preparation for the upcoming IRM review.

Throughout the three-year initiative, a total of 80 staff were trained on problem-solving skills, 78% from operations. The characteristics of the trainees are as follows.



3.4.2 Lessons Learnt from Capacity Building Activities

Based on the experience gained from conducting the mediation training as well as on feedback from both Bank staff and DRC, the CRMU drew several conclusions:

i. Staff assessed Bank training in problem-solving skills as invaluable. This training helps the Bank's awareness of and ability to resolve issues when they first arise from project affected communities.

ii. Staff almost unanimously requested additional training in identifying complaints and recommended that the CRMU plays a role in sensitizing PIUs as well as project beneficiaries through training and outreach in managing issues related to a project.

iii. The training builds internal institutional capacity and increases public confidence in the Bank's mandate and operations, particularly when using a participatory approach to settling issues raised by affected communities.

iv. More time and attention is needed to have Bank staff think critically about conflict in general, their perception of their role in conflicts, how their function interacts with conflicts when they arise, and how conflict experiences can be used to improve Bank operations. This entails a greater focus on adapting training materials to include dispute resolution based on the Bank staff's empirical experience during project design, preparation and implementation. It will be useful to improve materials with varied examples relevant to sector staff to ensure that they respond to a wide and cross functional audience.

v. In the longer term, a more systematic approach to measuring the impact of staff training should be considered. This kind of follow-up will not only inform the CRMU as to the application of the training, but enable staff to track changes in receptiveness and pro-activeness to the requests for participation in a problem-solving exercise. Additionally, the feedback would enhance institutional learning and assist in maintaining high standards of service delivery.

vi. The trainers recommend that the Bank should require a Dispute Resolution Committee for all Category 1 or high risk projects. The Committee comprising the Bank, the

CRMU, the project promoter, contractors, the independent mediator and representative of affected people, will ultimately reflect the particular needs of project stakeholders. The Committee should meet on site on a specified regular basis and familiarize themselves with all activities, identify emerging issues and design the most appropriate means for addressing problems immediately. Through this Committee, issues which risk developing into full scale disputes are tackled at earlier stages.

vii. Suggestions were made to simplify CRMU leaflets and documents to make them more user friendly.



4. Planning for the Second IRM Review and Trends in Complaints Handling in Africa



CRMU Consultation, Accra

4.1 Second Review of the Independent Review Mechanism

According to Paragraph 32 of the IRM Instituting Resolution of 2010, "The Boards shall review the experience of the IRM established by this Resolution after three (3) years from the date of the effectiveness of the IRM, which date shall be that of the appointment of the Director, thereafter every four (4) years, or as otherwise decided by the Boards". The first performance review of the IRM was conducted in 2009/2010. As a result, the Rules and Procedures of the IRM were amended by the Boards of Directors on 16 June, 2010. The second review of the Operating Rules and Procedures of the IRM is now due by June 2014.

The review will draw upon IRM experiences, a summary of views from strategic consultations within and outside the Bank, and a comparative analysis of rules and results of work of other independent accountability mechanisms of other MDBs. The review will benefit from the Bank's 10 Year Strategy and new relevant policies such as the Integrated Safeguards System, the Private Sector Policy, the Coal Guidelines, and the Civil Society Engagement Framework.

Under the review process, on 18 September, 2013, the Boards of Directors approved the Terms of Reference (ToR) of the IRM Review process as well as the ToR of the Consultant to undertake the review including the associated timeline and budget. These documents were prepared in full coordination with the Boards and the IRM Experts.

The Independent Consultant to undertake the second IRM review was selected through an international competitive bidding process on 17 December, 2013. The Consultant's first

tasks will be to conduct a thorough desk review and hold interviews with relevant stakeholders inside and outside the Bank. Inside the Bank, the Consultant will hold consultations with Board members, the IRM Experts and Senior Management as well as interviews with the CRMU and other Bank staff in operations departments and in selected field offices. Outside the Bank, the Consultant will seek the views of CSOs, including some who have interacted with the IRM in the past 10 years, as well as with government officials in selected Regional Member Countries. Views will be sought from project promoters and borrowers in RMCs and other key stakeholders associated with selected projects subject to the Bank's compliance review and/or mediation process.

The Consultant will prepare an inception report and later prepare a draft report after holding consultations with the Boards and the Bank Management. The draft report of the review will be posted on the Bank website for 45 days to allow external stakeholders and interested parties to comment on it. The Consultant will consider the comments received from the public in preparing a final report with recommendations, which will be presented to the Boards by June-September 2014. The Boards will be engaged regularly throughout the review process through formal as well as informal consultations and briefings. Bank Management will also be consulted and updated.

4.2 Knowledge Development and Trends of Requests Handled by Independent Accountability Mechanisms

Introduction

To develop knowledge of compliance review and mediation issues, a study is underway to improve the understanding of the nature, characteristics and trends of requests handled by IAMs in Africa. This investigation will provide a basis for comparing the performance of the IRM to date with those of other IAMs, and aid the identification of emerging trends in complaints and complaints handling, thereby informing the upcoming second review and future strategies of the IRM. Conclusions from the study will be made available to the network of IAMs in their effort to establish evaluation criteria, an idea mooted at the 10th Annual Meeting of the IAMs in Washington, DC in September 2013.

The research covers requests related to projects funded by the multilateral development banks (MDBs) in Africa, received and registered between 2004 when the IRM was established, and the end of 2013. Apart from the IRM, the other IAMs of interest are the Inspection Panel of the World Bank, the Compliance Advisor Ombudsman of the International Finance Corporation, and the Complaints Office of the European Investment Bank. The methodology adopted is a combination of desk review and direct verification, using data from IAM websites and validated with the respective institutions directly.

The data collected is being evaluated against the following twelve criteria:

i. **The number of requests received by each IAM, globally and relating to projects financed in Africa.** To highlight the proportion of all requests that relate to projects in Africa, this analysis compares the total number of requests received globally by each IAM with the total number of those requests relating to projects financed in Africa.

ii. **Preliminary review of requests for registration.** This data is to show the number and percentage of requests which qualify for registration based on a preliminary review as to whether or not to consider a request. In other words, the request is reviewed to determine if it falls within the mandate of the particular IAM.

iii. **The proportion of the total Africa requests received and registered by each IAM.** This shows the proportion of the total requests from Africa funded projects attributable to each IAM. Since AfDB is the primary IFI in Africa, this comparison provides a guide to the IRM's effectiveness compared to those of other IFIs.

iv. **The regional spread of each IAM's Africa derived requests**. The continental spread of each IAM's requests indicates the individual IAM's area of concentration within the continent.

v. **National and trans-border nature of requests.** This analysis assesses the impact extent of a project, i.e., whether this is restricted to the country in which it is situated or beyond. Trans-border requests are defined as those filed by affected people in a country other than where the project they are complaining about is located. The requesters could be individuals, communities, NGOs or CSOs.

vi. **How the registered projects were financed**. This separates the requests into those jointly financed by more than one IFI and those financed solely by an individual IFI. Where a project is jointly financed, a request should be sent to each of the co-financiers.

vii. **Identification of requesters** are separated according to the different categories of the requestors i.e. individuals, community groups/NGOs, or IAM management (as in the case of the Compliance Advisor Ombudsman). This indicates the proportion of requests arising directly from project-affected people as compared with those arising from third parties such as NGOs, civil society organizations (CSOs), and IAMs management.

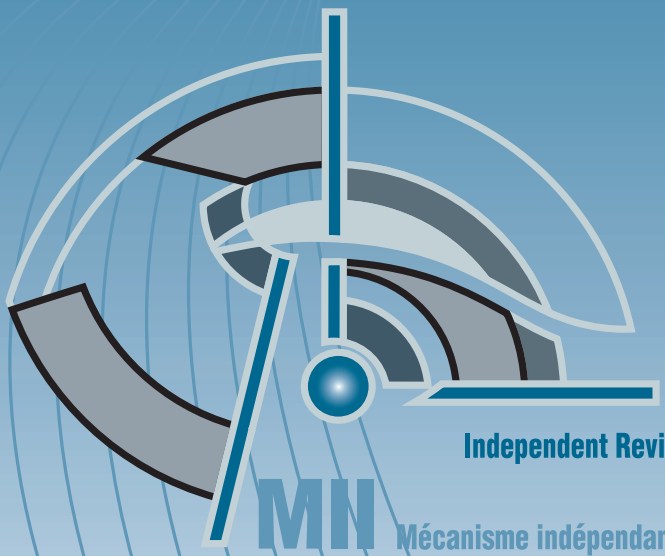
viii. **Confidentiality clause**. Some requesters prefer to restrict knowledge of their names and this analysis shows the extent of this demand.

ix. **Classification of requests**. Requests are classified as environmental and/or social, depending on their main issues. Requests dealing with issues such as pollution and environmental degradation are classified as environmental while social requests are complaints about the negative impact of projects on peoples' well-being e.g. resettlement problems and lack of compensation. Requests that have an element of both categories are classified as such.

x. **Handling of requests**. This classifies the information obtained according to how the request was handled, i.e., whether through mediation/problem-solving, subjected to investigation/monitoring, or deemed in no need of further action beyond confirmation of eligibility.

xi. **Request follow up.** This analysis distinguishes requests based on their status of completion as at December 2013, by classifying them as 'under monitoring', 'investigation underway', 'on hold', 'open', 'mediation underway', or 'closed'.

xii. **Requests by project sector.** Separating the requests into their relevant project sector, identifies the project sectors with the most requests thereby flagging the areas of exposure most likely to require improvements in project planning, implementation, and supervision.



IRM

Independent Review Mechanism

MI Mécanisme indépendant d'inspection

5. CRMU Staff



Mr. Sekou Toure, Director

Mr. Toure was appointed as the Director of the Compliance Review and Mediation Unit on January 2, 2013. Prior to joining the African Development Bank, Mr. Toure was the Conflict Resolution Commissioner at the Global Environment Facility (GEF). The GEF unites 182 member governments, in partnership with international institutions, civil society organizations (CSOs), and the private sector, to address global environmental issues. The GEF provides grants to developing countries and countries with economies in transition for projects related to biodiversity, climate change, international waters, land degradation, the ozone layer, and persistent organic pollutants. Reporting to the Chief Executive Officer of the GEF, Mr. Toure was responsible for providing advice and leadership on the resolution of conflicts and disputes relating to GEF partnerships. To overcome major impediments in GEF operations, Mr. Toure facilitated dialogue among the GEF stakeholders to mitigate the adverse effects of GEF financed operations and helped to build consensus and confidence in the process of compliance with GEF policies.

Mr. Toure had moved to the GEF after serving as Director of the Regional Office for Africa at the United Nations Environment Programme (UNEP) from February 2001 to September 5, 2007. In this capacity, Mr. Toure led UNEP's engagement with the Africa Region, including the servicing of the African Ministerial Conference on the Environment and contribution to key initiatives such as the New Partnership for Africa's Development.

Prior to his tenure at UNEP, Mr. Toure had assumed responsibilities in senior positions in the Government of Côte d'Ivoire. These included Junior Minister in charge of Water Resources Management (Haut Commissaire a l'Hydraulique), Special Advisor to the State Minister in charge of Development Planning, and Special Advisor to the Prime Minister. In addition, Mr. Toure had major responsibilities in a local political party in Cote d'Ivoire for a number of years. While in Cote d'Ivoire, he gained extensive international experience and exposure in the field of environment and water resource management. He has contributed to the work of CSOs in Africa. Mr. Toure has extensive research and teaching experience from working in the USA (University of Cincinnati, Cincinnati, Ohio, University of New Hampshire, Durham, New Hampshire) and in Côte d'Ivoire (Institut National Polytechnique Felix Houphouet Boigny, Yamoussoukro and Univeriste d'Abobo Adjame, Abidjan). He has contributed more than twenty scientific and technical publications and has edited a scientific journal and a book.

Mr. Toure holds a Ph.D. in Civil Engineering, specialized in Environmental Engineering from the University of New Hampshire, Durham, NH, U.S.A., a M.Sc. in Civil and Environmental Engineering from the University of Cincinnati, Cincinnati, Ohio, USA and a B.Sc. in Civil Engineering from the École Nationale Superieure des Travaux Public (School of Civil Engineering), Yamoussousokro, Cote d'Ivoire.



Mrs. Adila Abusharaf, Chief Compliance Officer

Mrs. Abusharaf joined the Bank in 2007 and was the Officer-in-Charge of CRMU between February and December 2012. In this capacity, she was in charge of the administration of the IRM, including the receipt and registration of Requests, the problem-solving (mediation) process, outreach activities, monitoring and preparing the CRMU's annual strategic work program and budget. Together with the IRM Experts, she determined the eligibility of requests for compliance review and reported directly to the Bank Group's President and Board of Directors.

She has over 17 years of experience in international development having worked with the International Development Research Center (IDRC), University of Toronto, and York University in Canada, as well as having held positions as Regional Program Officer at the Center of Arab Women for Training

and Research based in Tunisia, and as a lawyer in Sudan. Her work and scholarly publications focus on foreign direct oil investment and dispute resolution, compensation and resettlement, local governance, peace building and conflict-resolution, and gender-equity. Her work on these issues covers Algeria, Cameroon, Egypt, Mauritania, Morocco, Nigeria, Senegal, Tunisia, and Sudan. She obtained her Doctorate in Juridical Sciences from the University of Toronto in 2000, on private international law of transnational litigation and dispute resolution of oil pollution claims.



Ms. Grace Kimani, Principal Compliance Officer

Ms. Grace Kimani joined the Bank in June 2009. She supports the Director of the CRMU in assessing requests, conducting outreach activities, collecting and analyzing Bank policies and procedures applicable to requests registered by the CRMU for compliance review, preparing problem-solving missions and meetings, providing technical support to the IRM Experts independent compliance review panels, and representing the CRMU in internal and external meetings. She has experience in environmental matters having worked for five years with the legal department of the National Environment Management Authority (NEMA) in Kenya before joining the Bank. She is an environmental lawyer with a Master of Laws' degree (LL.M) in Environment and Natural Resources Management Law and a Bachelor of Laws degree (LL.B), both from the University of Nairobi. She holds a Postgraduate Diploma in International Environmental Law from the United Nations Institute of Training and Research (UNITAR). Her work experience has focused mainly on sustainable development, biodiversity conservation, climate change, hazardous waste/chemicals and environmental legislative drafting. She participated in drafting subsidiary legislation for Kenya in the conservation of biodiversity, water, waste, chemical, the management of ozone depleting substance, and, noise and air pollution control.



Mr. Babatunde Adenibi, Principal Internal Auditor (on Secondment to the CRMU)

Mr. Babatunde Adenibi is a Principal Internal Auditor who joined the Bank in 2009. He was seconded to the CRMU in October 2013 for six months to assist the CRMU in implementing its 2013 work plan. Some of the projects that Mr. Adenibi has worked on in the CRMU include compilation and analysis of requests handled in Africa through compliance review and problem-solving by IAMs of Multi-lateral Development Banks (MDBs) including the IRM. The analysis was presented graphically and included in a comprehensive report on the status, nature, trends and outcomes of complaints that have been handled in Africa by the Inspection Panel of the World Bank, Compliance Advisor-Ombudsman of the International Finance Corporation, Complaints Office of the European Investment Bank, and the IRM of the African Development Bank Group.

He also conducted an in-depth analysis of the Bank's private sector operations and project portfolio, proposing modalities and suitable approaches to enable the IRM to fulfill its mandates regarding the relevant private sector operations. The results of this project will inform the update of the IRM Operating Rules and Procedures with regard to private sector operations during the upcoming IRM review. He analyzed the CRMU's compliance review and mediation experience to identify the key lessons, emphasizing how these can inform future operations. In addition, he consulted with the Office of the Chief Economist, to assess the compliance requirement issues for the Bank under the Additionality and Development Outcomes Assessment (ADOA) process, in order to identify potential opportunities for the IRM in this process and recommend effective ways in which the defined ADOA criteria may be reviewed and monitored to capture complaint mitigation processes through the IRM.

Mr. Adenibi is a Fellow of the Institute of Chartered Accountants in England and Wales. He holds a Bachelor's degree

in Economics from the University of Ife, in Ile-Ife, Nigeria, and a Master's degree, with Distinction, in Corporate Governance from Bournemouth School of Business and Law in the UK.



Mr. Yusef Hatira, Young Professional (YPP)

Mr. Yusef Hatira joined the Bank in February 2013 as a Young Professional. During his rotation with the CRMU, Mr. Hatira's responsibilities included organizing regional workshops for Bank-financed project stakeholders and problem-solving training for Bank staff, representing the CRMU at national conferences, workshops and community sessions intended to enhance IRM visibility, drafting the Unit's 2013 and 2014 outreach strategies, and contributing to the launch of the IRM review process.

Prior to joining the Bank, Mr. Hatira worked as a senior analyst with the Ardour East Africa Renewable Energy Investment Fund, as a business development associate at African Renewable Energies Limited (AREL), and as a project manager at the Center of Arab Women for Training and Research (CAWTAR). He holds a Master's of Science degree in Environmental Management for Business from Cranfield University, UK and a Bachelor of Arts degree in International Relations and Non-Profit Leadership from Seattle University, USA.



Mrs. Dede Jacqueline Djedjero, Administrative Assistant

Mrs. Djedjero joined the CRMU in April 2009 and as Administrative Assistant provides administrative support to the Director of the CRMU and to the IRM Experts. She is trained as a bilingual assistant and translator (English/French). She helps the CRMU with the translation of working papers and with proof-reading of translated reports and IRM Board documents. She provides support with procurement and logistical matters, payment of consultants and the IRM Experts and is the focal point of the CRMU's administrative budget management. She has wide experience in the Bank having worked with different departments, including operations where she worked for over 10 years and in the Human Development Department, comprising Health, Education and Poverty Alleviation.



Ms. Maali Harrathi, Senior Secretary.

Ms. Harrathi joined the CRMU in November 2011 as Senior Secretary. Her duties include providing administrative support to the CRMU's Director and staff in the coordination of missions, and workshops, as well as following up procurement issues, the development, management and update of the CRMU's databases and other administrative duties. She is enrolled in a Master's program at the Higher School of Electronic Commerce of Manouba, Tunisia. Her thesis focuses on e-Business. Before joining the CRMU, she worked for four years with the Private Sector Department of the Bank.



Mr. Jean-Philippe Anin (Intern)

Mr. Anin joined the CRMU in October 2013 as an intern and provides support to the CRMU Team. He assists the Director in updating the NGOs and Mediators databases, writing briefs on requests registered for compliance review and checking compatibility of translated documents. He graduated with a specialized Master's degree in Project Management and Programs from Skema Business School (France) and a Master's degree in Strategy Marketing from the Institute of Business Administration, Nice (France). His research topics for the theses focused on "Elaboration of the Procedural Manual for the Corporate Relationship Manager of the Banque Populaire, Morocco" and "A Comparative Study of the Fast Food Sector in Morocco: Industrial Fast food vs Traditional Fast food" respectively.



6. IRM Roster of Experts



IRM Experts in the field



Dr. Richard E. Bissell, Chairperson

Dr. Richard Bissell was appointed as the Chairperson of the IRM Roster of Experts by the Board of Directors of the African Development Bank Group, on 16 July, 2012. He has been a member of the IRM Roster of Experts since July 2010. He is also the Executive Director for Policy and Global Affairs of the National Research Council of the U.S. National Academy of Sciences (USNAS). He oversees sixteen program units with a focus on science and technology policy, international scientific affairs, and the future science and engineering workforce.

Prior to joining the USNAS in 1998, Dr. Bissell was the coordinator of the Interim Secretariat of the World Commission on Dams (1997-1998), a joint initiative of the World Bank and the World Conservation Union (IUCN). During the period 1994-1997, he was the Chairman and a founding Member of the Inspection Panel at the World Bank, an independent advisory committee to the Board of Executive Directors. He has also served in a similar role at the Asian Development Bank as a member of the Compliance Review Panel from 2003 to 2007.

Between 1986 and 1993, Dr. Bissell was Assistant Administrator of the U.S. Agency for International Development, appointed first to head the Bureau of Program and Policy Coordination. In that position, he was responsible for Agency-wide policy development, review of development impact of projects at multilateral banks, evaluation processes throughout USAID, and management of the annual budget process. He then received a second Assistant Administrator appointment as Head of the Bureau of Research and Development, where he was responsible for the direction and management of a research portfolio in health, population, education, environment, energy and agriculture, as well as technical support of USAID field missions in nearly 100 countries.

Dr. Bissell has been a professor at the American University, Georgetown University, and the University of Pennsylvania. Among his publications are seven books and a wide variety of articles in scholarly and policy journals. He has served as editor of several professional journals. He holds a B.A. from Stanford University and a Ph.D. from the Fletcher School of Law and Diplomacy, Tufts University, in international economics, with post-doctoral work at Princeton University.



Dr. Mafing Kondé, Member

Dr. Mafing Kondé was appointed on 6 February, 2012, as a Member of the IRM Roster of Experts by the President and the Board of Directors of the African Development Bank Group.

Dr. Kondé holds a PhD in Development Sociology from the University of Paris X Nanterre, as well as a Diploma of Advanced Studies in Political Science Studies from the University of Grenoble in France. He has almost thirty years of experience.

Between 1984 and 1987, he worked as a lecturer at the University of Ouagadougou; Officer in Charge of Outreach for the Rural Water and Equipment Fund in Burkina-Faso; Sociology Research Officer in the Société africaine d'étude et de développement (SAED); and a Research Coordinator for many development projects in Burkina-Faso. Some of these projects were funded by international organizations and European countries, such as the World Bank, Food and Agriculture Organization (FAO), and cooperation agencies of Denmark and the Netherlands. Thereafter, he joined Sahel-Consult as a sociologist where his work focused on water projects in Burkina-Faso.

Since 1988 Dr. Kondé has been working as an independent consultant and has undertaken various assignments in Burkina-Faso and other West African countries including Niger, Mali, Cote d'Ivoire and Ghana for different international and national organizations: the World Bank, the International Union of Conservation of Nature (IUCN), the Danish Development assistance (Danida), the Italian Government, the United Nations Development Program (UNDP), the United Nations Children Fund (UNICEF), the United Nations-Women, the German International Cooperation Agency (GTZ), the Austrian Development Cooperation, the Swiss Cooperation, the Millennium Challenge Account (MCA), the Inter-States Group of Schools (ETSHER), as well as the Ministries of Agriculture, Water Resources and Environment of Burkina-Faso. These assignments covered a wide range of research and development projects including research and work on the preparation, implementation and monitoring of projects in various sectors, local planning and development plans, environmental and social impacts studies, displacement and resettlement plans, and outreach activities. More specifically, his areas of specialization throughout his career have been in the analysis of land and water related issues, the implementation of decentralization and agriculture development, as well as participatory management of natural resources.
Dr. Kondé is a member of different national and international associations such as the Land Research and Action Group (GRAF), the Association of Independent Consultants and Partners (ACIA), the International Center for Sociological and Applied Law Studies (CINESDA) and the National Anti-Corruption Network (RENLAC). For the purpose of assignments related to his membership to these associations, he has travelled to Turkey, Thailand, Greece and Nigeria.



Dr. Arntraud Hartmann, Member

Dr. Arntraud Hartmann was appointed on 1 June, 2012, as a Member of the IRM Roster of Experts by the President and the Board of Directors of the African Development Bank Group.

Dr. Hartmann holds degrees in Law and Economics (Hamburg University and the American University) and Diplomas in International Relations and International Finance (Harvard University and John Hopkins University). She has more than 30 years of professional experience in development cooperation gained from working with several international organizations. Dr. Hartmann spent twenty-three years working for the World Bank, where she held senior management positions. She was Country Director for several southeast European countries, Senior

Advisor to the Managing Director and established the first Country Office of the World Bank in Romania in 1991 where she was the World Bank's first Country Manager and Chief of Mission. Prior to that, she held several positions for the World Bank as a Principal Economist for West African Countries and as Country Economist for Pakistan.

In 2002 and 2006 Dr. Hartmann was Senior Advisor to the Secretariat of the World Commission on the Social Dimensions of Globalization established by the ILO in Geneva, and was Director of the Economic Policy Forum and International Institute for Journalism of InWent, in Berlin, Germany. Since then, she has been a member of the Quality Assurance Review Process of IFAD, and has undertaken numerous consultancies for the World Bank, the International Monetary Fund and the German Federal Ministry for Economic Cooperation and Development, the German International Cooperation Agency, GTZ and the International Fund for Agriculture.

Dr. Hartmann is an Adjunct Professor for Development Economics at the School of Advanced International Studies, Johns Hopkins University, Bologna, Italy, and a visiting professor at the Hertie School of Governance, in Berlin, Germany where she regularly teaches. She is a Senior Fellow at the European Research Centre for Anti-Corruption and State Building, in Berlin, Germany. She undertakes research with the Brookings Institution on aid effectiveness and has published extensively together with Johannes Linn, on "Scaling Up of Development Programs". In addition, she has published on Public Sector Performance Measurement, Poverty Reduction Policies, Aid Effectiveness and Structural Adjustment Programs.



7. Financial Matters



Cashew nuts trees for compensation, by roadside towards Tunduru, Road Section along the Mangaka-Mtambaswala Road, Tanzania

CRMU Budget and Actual Costs in Unit of Accounts (UA)

Budget Items	Budget	Actual Cost
Salaries CRMU staff	379,025.00	379,024.00
CRMU Meetings Bank Business *adjusted	51,600.00	35,169.00
CRMU Missions Travel *adjusted	79,276.00	70,259.00
Public Relations, Meetings, etc.	1,418.00	1,410.00
CRMU Roster of Experts Remuneration (Fees) and Mission Costs	320,000.00	268,000.00
Consultants *adjusted	55,381.00	43,695.00
Hospitality	1,013.00	1,013.00
TOTAL	**887,713.00**	**798,570.00**

Adjustments through transfers within budget lines effected in September 2013 to enable CRMU deliver approved activities.



8. Annexes



Dodoma Babadi Road Section, Tanzania

Annex 1

General Information about the IRM

Overview

The IRM is one of several oversight instruments established by the Bank Group to ensure the accountability of its operations. It was established by the Bank Group Board of Directors' Enabling Resolution of 30 June 2004 and became operational in mid-2006 upon the appointment of the first Director of the Compliance Review and Mediation Unit (CRMU) that administers the mechanism. For the purpose of compliance reviews, an IRM Roster of Experts was established with three external members, appointed by the Board of Directors on a non-renewable term of five years. The IRM Operating Rules and Procedures were approved on 27 July 2006 and amended thereafter by the Board of Directors on 16 June 2010.

The Mandate

The IRM's mandate is to provide people who are, or are likely to be, adversely affected by a Bank Group financed project, with the opportunity to submit their complaints to the Bank, where this is as a result of non-compliance with the Bank's policies and procedures.

The salient feature of the IRM is that it is independent from the Bank's management, and only intervenes when people or communities affected by a Bank-financed project submit a complaint to the CRMU.

In this way, the IRM can be considered as a recourse instrument for project affected people who have previously been unable to resolve their problems with the Bank's Management, to have their complaints heard and addressed at the highest decision levels of the Bank.

The Review of the IRM

In line with the Resolution Instituting the IRM (B/BD/2010/10-F/BD/201/4) the Board of Directors reviews the experience of the IRM established by the Resolution, after three years from the date of the effectiveness of the IRM ; that is the date the Director of CRMU was appointed (2006), thereafter, the IRM review shall be conducted every four years, or as otherwise decided by the Boards. The first review of the IRM's performance was conducted in 2009 and, in 2010, resulted in the Board's approval of the proposed amendments of the IRM Instituting Resolution of 2004 and IRM Rules of 2006.

The IRM Functions

The IRM has two main functions: Problem-Solving (mediation) and Compliance Review.

The CRMU administers the IRM and is responsible for assessing and registering complaints, participating in the eligibility review of these complaints, undertaking problem-solving exercises and coordinating outreach activities. Together with the IRM Experts, the Director of the CRMU assesses the eligibility of Requests for compliance review.
The Compliance Review Panel which comprises the three IRM experts, once authorized by the Board of Directors or the President, investigates allegations of non-compliance with Bank policies and procedures and whether a potential harm results to people and/or the environment. The Panel can recommend to the Bank Group's Board of Directors, the President and Management that the Bank takes remedial action to bring investigated projects into compliance with Bank policies. They can also propose changes to the Bank Group's systems or procedures to avoid similar future non-compliance with Bank policies.

The IRM/CRMU, subject to the Board's or the President's authorization, is also mandated to monitor the implementation of the recommendations from Compliance Review Reports and the Bank's Management Action Plan. The CRMU is mandated to monitor the implementation of settlement agreements concluded under the IRM problem-solving exercise.

The Request Handling Procedures

The IRM Operating Rules and Procedures provide the timeframes for the submission of Requests and for their handling by the CRMU. In general terms, the Director of the CRMU conducts a preliminary review within 14 working days of the receipt of a Request, to determine whether the Request falls within the mandate of the IRM, and whether it contains a bona fide allegation of harm arising from a Bank-financed operation. If the Request fulfills the requirements, the CRMU registers it either for problem-solving and/or compliance review and immediately informs the Requestors and the Bank Group's Board of Directors, the President and Management. Within 21 working days of receiving the notice of the registration of the Request, Management should respond to the CRMU, providing evidence that it has complied with, or intends to comply with the applicable Bank policies and procedures. A copy of the Management Response is sent to the Requestors for information. Within 30 days of the receipt of the Management response, the Director of the CRMU either starts a problem-solving exercise or, together with the IRM Experts, assesses the eligibility of the Request for compliance review. If the Request is eligible, the Director and the Experts recommend to the Board or the President to authorize the compliance review.

The Problem-Solving (Mediation)

The purpose of the problem-solving exercise (mediation) is for the CRMU to facilitate an effective dialogue between the Requestors, the Bank and any other interested party in order to reach a solution agreeable to all stakeholders.

When considering conducting a problem-solving exercise, the Director of the CRMU considers whether:

i. the parties are amenable to resolve the conflict through mediation;

ii. the Bank Group can influence change with regard to finding an agreeable solution; and

iii. whether the problem-solving exercise will interfere with or be impeded by any other process before a court, ar-

bitration tribunal or similar review body where the same or very similar matter to the Request is being examined.

The CRMU can utilize several problem-solving techniques such as fact finding, mediation, conciliation and dialogue facilitation including the use of best customary practices. The Director of the CRMU submits the problem-solving report to the Requestors, the Bank's President, the Board of Directors, the Management and any other interested parties. If the exercise has not been successful within three months, the Director of the CRMU declares the exercise unsuccessful, detailing the reasons in the problem-solving report. Regardless of the outcome of the exercise, the Director of the CRMU can recommend to the President or the Board of Directors that a compliance review be undertaken to investigate any non-compliance with Bank policies and procedures identified during the problem-solving exercise.

The Compliance Review

The purpose of the compliance review is to determine whether the Bank Group has complied with its own policies and procedures, and to verify whether, through non-compliance with these policies, a direct harm has been, or is likely to be inflicted on people and/or the environment by the project. There are several steps in determining whether the Request is eligible for compliance review. First, the Director of the CRMU and the IRM Experts review the Request and the corresponding Bank Management response, and if necessary, undertake a mission to the project area to verify the situation. If the Director and the Experts identify prima facie evidence of possible harm to people and/or the environment due to non-compliance with Bank policies, they prepare an eligibility report including the recommendation to conduct the compliance review. Second, if Requestors demand a compliance review, but the Director of the CRMU does not recommend it, the Director refers such a Request to the IRM Experts to reassess its eligibility for compliance review and report their recommendations to the President or the Board. Third, the Director's and the IRM Experts' eligibility report is submitted for consideration and approval to the President, for projects being considered for ADB financing, and to the Board of Directors for approved projects. Fourth, the Requestors are immediately notified of the decision of the President or the Board of Directors, and the eligibility report (including a copy of the Request and the Management Response) together with the decision of the President or the Board is promptly communicated to the public via the Bank Group's website. (www.afdb.org/irm).

Subject to the authorization of the President or the Board of Directors, the Review Panel, comprising the three IRM experts, undertakes a compliance review. The Panel prepares a report detailing its findings and recommendations, which are distributed to the President, the Board of Directors, the Management and the Requestors. Within 90 days of receipt of the Review Panel's report, the Bank Management prepares and submits a response and action plan to the President, the Board of Directors and the CRMU, wherein Management addresses the findings of the Panel, and details how the recommended changes will be implemented. The President or the Board, as the case may be, decides whether or not to accept the IRM compliance review report and Management's response and action plan. Their decision is immediately communicated to the Requestors and published on the website of the Bank Group.

Subject to the acceptance of the President or the Board of Directors, the IRM monitors the implementation of the Compliance Review Report recommendations and the Management Action Plan, and reports its findings to the Bank's Board, President and Management. This monitoring is conducted annually until the IRM is satisfied that the project under investigation complies with Bank policies.

Annex 2

CRMU's Short Term Strategy

Introduction

The Bank has in place a robust system of oversight and accountability, comprising several instruments; the Office of the Ombudsman, the Administrative Tribunal, the Office of the Auditor General, the Integrity and Anti-Corruption Department, the Ethics Office and the Operations Evaluation Department. The Independent Review Mechanism (IRM), administered by the Compliance Review and Mediation Unit (CRMU), is part of this set up that reinforces the accountability of Bank operations.

CRMU's activities have resulted in the development of some knowledge in the Bank on compliance review processes as well mediation practices since the IRM became operational in mid-2006 and its Operating Rules and Procedures approved by the Boards of Directors on 27 July, 2006.

Based on lessons from the earlier experience, the IRM Rules were amended on 16 June, 2010 as part of the first IRM performance review which is conducted each four years to measure the relevance and impact of the mechanism's activities. Key adjustments made as the result of the first review are as follows:

i. Amendments of the terms of appointment of the Director of CRMU as well as the conduct of the compliance review, which was exclusively assigned to the IRM Experts. The amendments were intended to strengthen the independence of the IRM process.

ii. Expansion of means by which requestors can submit their complaints and CRMU can conduct outreach. This was intended to improve the accessibility and visibility of the IRM.

iii. Requirement introduced for Management to prepare a response and action plan in relation to IRM compliance review reports and to jointly present these document with CRMU/IRM experts to the Boards. The changes were intended to strengthen the effectiveness of the IRM compliance review process.

Additional experience gained through the handling of recent cases has also enabled the identification of some of the challenges associated with compliance review processes, including IRM engagement with Management and other stakeholders, and the need for extensive outreach, information dissemination, training, cooperation and consultation across the board. The merit of problem-solving and mediation approaches is being recognized and there is expectation to continue developing a system that reinforces the Bank's ability to anticipate potential problem projects and broaden the scope of CRMU work to include an advisory function so as to become a true asset for the Bank. These ideas were mooted during the recently held 11-15 March 2013 Bank-wide consultations organized by CRMU. They and other issues will be the subject of the upcoming IRM review in 2014.

The complaints resolution mechanism of the Bank is not operating in an isolated environment. It is very important to note that when the Bank Management proposed the establishment of an Inspection Function, it followed then an international trend. The World Bank had already created its Inspection Panel in 1993, followed by the establishment of the Inspection Function of the Asian Development Bank (ADB), the Independent Investigation Mechanism (IIM) of the Inter-American Development Bank (IDB), the Independent Recourse Mechanism (IRM) of the European Bank for Reconstruction and Development, and the Compliance Advisor Ombudsman of the International Finance Corporation (IFC) and the Complaints Office of the European Investment Bank (EIB). There is now a tradition of comparing notes and experiences among these mechanisms that is enriching the Bank's effort. Some International Financial Institutions (IFIs) and the Bank have handled similar complaints that have been submitted with regard to co-financed projects.

CRMU's Short Term Strategic Orientation

Because of the statutory IRM review in 2014, the development of a medium to long term CRMU strategy will lack the necessary information and purpose. This can be done only

after clarity has been provided on future direction of the IRM as provided for by the Boards. In the meantime, CRMU will be guided by a short term strategy that aims to strengthen the implementation of its present work program and to organize a successful IRM review. The short term strategy will focus on three key elements:

i. Strategic planning of the IRM review and engagement with the Boards;

ii. Outreach and Knowledge Development: (i) training and information sharing on the IRM; (ii) collaboration between CRMU and relevant Bank departments, including operations in mediation/problem solving activities (iii) exploration of opportunities for knowledge development, (iv) enhanced anticipation through advisory services; (v) extensive information dissemination on the IRM in RMCs, especially in the CSO community; and

iii. Renew attention to ongoing and new compliance review cases as well as strategic engagement between the Panel of IRM Experts and Bank Management.

1. Strategic Planning of the IRM Review

The Boards Resolution of 30 June, 2004 on the establishment of the IRM, includes provision for the frequency of review of the experience of the IRM. Accordingly, the first review of the IRM performance was undertaken in 2009 and resulted in several amendments of the IRM Rules and Procedures and Instituting Resolution which were adopted by the Boards on 16 June, 2010.

The second review of the IRM performance and experience shall be completed with the Boards approval of recommendations by June 2014. CRMU will initiate this review process no later than the second quarter of 2013. Similar to the first review, a consultant will be recruited for the purpose of submitting recommendations to the Boards.

CRMU considers the implications of the outcome of the review fundamental for the Bank and will set in motion a transparent and all inclusive process. To this effect, a CRMU/IRM-Bank Management-Boards Task team will be established to serve as an oversight of the review process. The task team, coordinated by CRMU, will propose an analysis of its experience with the IRM and the institutional arrangement for complaints handling at the Bank. It will make recommendations that will be submitted as input into the work of the independent Consultant.

The Task team will discuss in particular the TORs of the process for the review as well as that of the Consultant, both of which will be considered by the Boards.

The Task team will, inter alia, focus its attention on:

i. Assessment of the management of complaints handled, the mediation and problem solving initiatives undertaken and outreach activities conducted to enhance the IRM relevance, credibility and effectiveness;

ii. Institutional arrangements that support the Bank's strategy for effective compliance review, problem solving/facilitation, outreach, including advisory and project facilitation function for CRMU, similar to its counterpart Independent Accountability Mechanisms (IAMs) of other IFIs; and

iii. Review and harmonization of text of paragraphs of current IRM Operating Rules and Procedures to provide clarity and remove any ambiguities.

2. CRMU Outreach and Knowledge Development

Despite its experience, the IRM remains relatively unknown inside and outside the Bank. To address this, briefing and training sessions will continue to target Bank staff as well Management and members of the Boards. Specific effort to disseminate information about the IRM, potential problem solving and other appropriate supports of CRMU will include individual meetings/brown bags/retreat if necessary with various complexes, senior Management as well key target groups.

The outreach activities to be undertaken by CRMU will aim to continue raising awareness of the mandate and functions of the IRM, and to equip communities affected by Bank financed projects with the information to engage in a

constructive dialogue with the Bank and, if they wish, to submit their complaints to the IRM.

To strengthen its outreach, CRMU will explore specific partnerships with CSOs and reinforce its collaboration with other IAMs of IFIs and oversight mechanisms of the Bank to carry out sensitization seminars to different stakeholders in RMCs. This strategy will be achieved through closer interaction with the compliance and safeguards Division (ORQR3).

Also, in order to put in place a feedback loop within the Bank to stimulate more knowledge development and learning, CRMU will initiate a few innovative approaches to demonstrate the relevance and socio-economic implications of compliance and problem solving practices in a development Bank such as the AfDB. The following departments will be key partners for these joints initiatives:

The Office of the Chief Economist

One of the challenges faced by the IRM is the provision of specific evidence to show the need, cost associated with and implications of or/and lack of compliance to Bank policies. In case of Bank financed projects, there is a robust process, led by ORQR3, to ensure that Bank safeguard policies are fully taken on board in project development. However, in the absence of data and information on the socio-economic impacts of full or non- compliance with policies, it is difficult to incentivize Operations on the importance of this issue. Also, it would be very useful for the entire institution to get some appreciation of the reputational cost associated with non-compliance with Bank policies. Exploring these issues jointly with the Office of the Chief Economist is an avenue to enhance Bank knowledge and learning.

Operations Evaluation (OPEV)

There is currently little interaction between CRMU and OPEV. Therefore, the IRM is not benefiting from evaluation-based evidence and information that may be relevant for its work. CRMU will explore with OPEV an overlap niche to formalize the learning from post-evaluation of projects. For example, in the short term, CRMU will explore what could be the potential role of OPEV in the IRM review.

Operations I Country and regional Programs and Policy (ORVP), Operations II Sector Operation (OSVP) and Operations III Infrastructure, Private Sector and Regional Integration (OIVP)

Regular briefings, training and knowledge development are essential in ensuring that Bank staff, especially those in Operations Departments, become fully mindful of and pay careful attention to the implication of compliance as well as non - compliance with policies. CRMU will work closely with each of the ORVP, OSVP and OIVP complexes on mutually agreed course of action to inform and sensitize technical staff.

There are strong linkages to build between CRMU and key departments dealing with policy, especially Operational Resources and Policies (ORPC) and Quality Assurance and Results Department (ORQR3). The raison d'être of the IRM is the unquestionable interpretation of the Bank policies relevant to its work. Therefore, IRM experts must have a good command of these policies, understand them fully and make proper interpretation concerning their letter but also intent. The introduction of an Integrated Safeguards System at the Bank is a welcome development that will assist and facilitate CRMU's work. Also, IRM Experts have in the past noted instances of policy gaps or the need to adjust some aspects of policies that are in effect. This was for example the case in the handling of the MEDUPI case. It is reasonable to believe that the Bank will be confronted with such issues in the future. Such findings must have in the Bank space to be accommodated and dealt with. CRMU will work with ORPC as well as ORQR3 to establish a framework of learning and feedback process that enables regular interaction, knowledge sharing to enhance the content of new policies and those that the Bank decides to update.

External Relations and Communication Unit

CRMU will enhance its interface with management based on greater communication and information sharing, clarification of roles and responsibilities for clear and actionable action plans and understanding of constraints of each party. Effort will be made to strengthen modalities for cooperation that limits the points of disagreement without compromising the IRM's independence nor hampering operations/management

responses. Also, CRMU will work very closely with the External Relations and Communication Unit to have in place a strategy that helps popularize the IRM and also the compliance review and mediation efforts of the Bank.

Other Oversight Departments/Units

There has been an earlier communication with other oversight and relevant accountability departments of the Bank on joint and specific effort to build synergies and collaborate in various joint outreach and information dissemination activities. CRMU will explore this, including as the first step contribution to a joint information document on entities' respective mandates and roles to enable a one shop information dissemination tool.

3. Handling of Ongoing and New Mediation and Compliance Review Cases

In light of outcome of CRMU/IRM Experts consultations with Management and Boards which were held during 11-15 March 2013, three issues will be taken into consideration:

i. Follow-up with ongoing requests including monitoring of Bujagali Hydropower Project in Uganda, Medupi Power project in South Africa, implementation of mediation Action Plan to resolve request relating to Tanzania Road Support II project and the monitoring of implements of mediation agreement to resolve request relating to Motorway Project in Morocco.

ii. Foster strategic engagement between the Panel of Experts and Bank Management. CRMU will conduct a series of consultation meetings to formalize process of interaction of the Experts and Management during the compliance review and relevant monitoring processes. This is to ensure closing any gaps with regard to reports submitted by Compliance Panels and Management to the Boards.

iii. Ensure the full application of IRM Rules in registration and handling of new requests in particular those governing management participation process of assessment of requests prior to their registration, collaboration in information sharing during preparation of management responses to requests and management counterpart effort in monitoring of implementation of settlement agreements concluded under IRM problem solving and recommendations of compliance review reports.

CRMU will use this short term strategy as a departure point for setting clear goals to achieve key results that will inform the IRM/CRMU medium to long term strategy which will be developed at the completion of the upcoming second review of the IRM and the adoption of the Bank's long term strategy.

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