

Asian Development Bank



ADB Accountability Mechanism

Compliance Review Panel

2005 Annual Report

March 2006

I. Introduction

This is the Annual Report of the Compliance Review Panel (CRP) prepared in accordance with paragraph 65 of the CRP's Operating Procedures. The CRP investigates requests filed under the compliance review phase of the ADB Accountability Mechanism (see *Box 1 on the Mechanism and Box 2 on the Panel members and secretariat*). This report covers the period from 1 January to 31 December 2005.

II. Activities of the CRP and its Secretariat

In 2005, the CRP completed the investigation of the Southern Transport Development Project (STDP) in Sri Lanka and began its monitoring of remedial actions on the Chashma Right Bank Irrigation Project (Stage III) [Chashma Project] in Pakistan. The year was also notable for the honor accorded to ADB to host the 2nd meeting of International Accountability Mechanisms. Other activities of the CRP and its secretariat, the Office of the Compliance Review Panel (OCRP), included outreach to civil society including local and international non-government organizations (NGOs); government officials from developing member countries (DMCs); and ADB personnel at ADB Headquarters and country offices.

The ADB Board of Directors (Board) authorized compliance review of the STDP in January and the CRP carried out its investigation. The CRP's Draft Report was provided to the requesters and ADB Management for comments. The CRP submitted its Final Report to the Board in June. In July, the Board approved the CRP's recommendations which included preparation by ADB Management of its course of action to implement the Panel's recommendations. Currently, the CRP is monitoring the implementation of the Board-approved recommendations and will submit to the Board by July 2006 its determination on the progress in bringing the project into compliance. The Final Report is posted on the CRP website at www.compliance.adb.org.

Box 1: The ADB Accountability Mechanism

In May 2003, the ADB Board of Directors (Board) approved a new accountability mechanism to replace the ADB Inspection Function. The new Accountability Mechanism aims to enhance ADB's development effectiveness by providing better access for people adversely affected by ADB-assisted projects to voice out and seek solutions to their problems and also report alleged violations of ADB's operational policies and procedures. The Mechanism has 2 separate but related components: a problem-solving role (the Consultation Phase) handled by the Special Project Facilitator (SPF) and an investigative role (the Compliance Review Phase) carried out by the CRP.

The CRP is a 3-member independent body which carries out the Compliance Review Phase. People who are directly, materially and adversely affected by an ADB-assisted project in the course of its formulation, processing, or implementation can file a request for compliance review. The CRP investigates whether the harm suffered by project-affected people is caused by ADB's non-compliance of its operational policies and procedures; and recommends to the Board remedial actions. CRP reports directly to the Board. It specifically reports to the Board Compliance Review Committee (BCRC), a standing Board Committee of 6 members, to clear its terms of reference for a compliance review and to review its draft monitoring reports. The Office of the Compliance Review Panel (OCRP) serves as secretariat to the CRP. It assists in carrying out CRP activities; conducting information dissemination and public outreach regarding the Mechanism and the Compliance Review Phase; and providing guidance to potential requesters. It also coordinates common activities including outreach with the Office of the Special Project Facilitator.

The CRP continued to monitor progress on the implementation of the Board-approved remedial actions on the Chashma Project, a request which was processed under the previous Inspection Function. The Panel issued to the Board in March 2005 a Monitoring Progress Report providing an update on the progress in the implementation of the Board-approved remedial actions. The Panel's monitoring missions scheduled for June and August in 2005 were postponed in response to the Government of Pakistan (GOP)'s request to delay the mission due to budget preparation activities in June and flooding in the project area in July and August. The Panel carried out a desk-based review and submitted its findings in its First Annual Monitoring Report to the Board in August. In the report, the CRP noted that it needed to meet with affected people to verify on the ground the status of progress on the remedial actions. The CRP was able to proceed with its monitoring mission in November 2005. The Panel met project-affected people in the project area and also met government officials. In December, the CRP submitted to the Board its findings in a Supplementary Report to the First Annual Monitoring Report. These reports are also posted on the CRP website. The Panel's second annual monitoring report to the Board will be submitted by August 2006.

A complaint on the Community Empowerment for Rural Development Project in Indonesia was received under the Mechanism and processed under the Consultation Phase but has not proceeded to compliance review.



From left to right: CRP Associate Secretary S. Nanwani; CRP members V. Fernando and R. Bissell; CRP Chair A. Rumansara; and CRP Secretary R. Zelius

OCRП organized the 2nd Meeting of International Accountability Mechanisms which was held on 4 and 5 April 2005. There were 18 participants representing accountability mechanism of various development institutions including ADB, World Bank, IFC/MIGA, Export Development Canada, Japan Bank for International Cooperation, North American Commission for Environmental Cooperation, and Overseas Private Investment Cooperation. The participants shared experiences under their mechanisms and exchanged views on matters of common interest.

Box 2: Compliance Review Panel Members and Secretariat

The CRP consists of a current full-time Chair and 2 part-time members. They are serving 5, 4, and 3 years from 12 December 2003, respectively.

The Chair, **Augustinus Rumansara**, is an Indonesian national. Before joining the CRP, he worked with the private sector in Indonesia at BP (formerly British Petroleum) as Vice-President for Integrated Social Strategies. Prior to that, he worked for many years with civil society organizations from grassroots community groups to regional and international NGO advocacy networks. His work included facilitating advocacy activities of Indonesian NGOs with national and foreign governments, and multilateral development banks in promoting concerns for human rights, equity and justice, people's participation, good governance, sustainable development, and environment conservation.

Richard Bissell, a United States national, is an international economist currently serving as a senior executive with the National Academy of Sciences, Washington, DC. He has worked extensively in the past on enhancing community participation in development with the World Commission on Dams, the World Bank Inspection Panel, and the United States Agency for International Development.

Vitus Fernando, a Sri Lankan national, is currently working on a series of policy and institutional issues related to international development cooperation. He has held senior positions with a variety of multilateral and bilateral agencies, and at national level, with the Ministries of Planning and Economic Affairs; Fisheries; and Environment and Forests in Sri Lanka. He was the director of the Asia/Pacific Program of the International Union for Conservation of Nature.

For more information on the CRP members, visit www.compliance.adb.org.

The members of the CRP secretariat, the Office of the Compliance Review Panel (OCRП), are:

Rolf Zelius	Secretary, CRP and Head, OCRП; also Secretary to the Board Compliance Review Committee
Suresh Nanwani	Associate Secretary, CRP
Marie Antoinette Virtucio	Compliance Coordination Officer
Josefina Miranda	Compliance Program Assistant
Rodora Galvez-Argente	Executive Assistant
Josephine Vargas	Executive Assistant.

Outreach activities (see Box 3 for highlights) were conducted to disseminate information on the Accountability Mechanism and the Compliance Review Phase; provide information on the claims under the Compliance Review Phase and monitoring of remedial actions on the Chashma project; and respond to queries from requesters, interested parties, and potential requesters. Six orientation sessions were conducted by OCRP or with the Office of the Special Project Facilitator (OSPF) in ADB Headquarters for new ADB personnel, DMC officials, ADB interns and fellows, and an officer from an international development bank. The CRP also conducted briefing sessions in the ADB resident missions in Laos and Viet Nam for participants from NGOs, government, and ADB. The CRP met with NGOs on matters relating to the Mechanism, potential requests, and issues related to ADB project implementation. The CRP also had meetings with Board members, and ADB Management and staff on various matters relating to CRP's mandate and activities during the year.

Box 3: Highlights of Outreach Activities in 2005

February, May, and August	Presentation during Induction Program for New ADB Staff
4-5 April	2 nd Meeting of Accountability Mechanisms of International Financial Institutions and Related Development Institutions
4-6 May	CRP Chair met with NGOs during the 38 th ADB Annual Meeting in Istanbul, Turkey
29 July	Accountability Mechanism-Brown Bag for Participants in ADB Internship and Fellowship programs
19 September	Presentation during the Orientation Program for government officials from DMCs
5 October	ADB Lao Resident Mission - Briefing for government officials, NGOs and ADB staff
7 October	ADB Viet Nam Resident Mission - Briefing for government officials, NGOs and ADB staff
October	Presentation on "Trends and Challenges in Accountability Mechanisms in Multilateral Development Banks" in London for NGOs, students, academe, and practising lawyers
14 November	Briefing for ADB Pakistan Resident Mission personnel

The Accountability Mechanism information brochure was translated into several DMC languages. Draft translations of the information brochure and the CRP Operating Procedures were provided to members of NGOs and civil society to improve the quality and readability of the draft translation documents for the general public. The information brochure is translated in 13 official or national languages of DMCs, namely, Bahasa Indonesia, Bangla, Chinese, Hindi, Khmer, Lao, Nepali, Pilipino, Russian, Sinhala, Tamil, Urdu, and Vietnamese. The CRP Operating Procedures is also translated in 12 languages — Bahasa Indonesia, Bangla, Chinese, Hindi, Khmer, Lao, Nepali, Russian, Sinhala, Tamil, Urdu, and Vietnamese. The CRP met 3 times at ADB Headquarters to discuss CRP activities including investigation of the STDP request, issuance of the first CRP Annual Report and the draft Monitoring Progress Report for the Chashma Project; deliberate on the STDP request; and attend the 2nd Meeting of International Accountability Mechanisms. Translations of the information brochure and the CRP Operating Procedures are available in printed form and can also be downloaded from the CRP website.

The CRP website is a primary information dissemination tool of the CRP and registered more than 35,000 visits in 2005. With the aim of improving the website, OCRP conducted a website usability testing jointly with ADB's Office of Information Systems and Technology from August to September 2005. Surveys were conducted with ADB personnel at Headquarters and country offices, and with civil society, including NGOs. The results of the testing have been used to enhance the website in 2006.

III. Monitoring and Request for Compliance Review

A. Monitoring of Remedial Actions on the Chashma Project in Pakistan

In August 2004, the Board mandated the CRP to monitor the implementation by ADB of the Board's decision on the Chashma Project, applying the relevant procedures of the Accountability Mechanism. The Chashma Project (Loan No. 1146-PAK [SF]), approved by the Board in December 1991, is the third phase of a

scheme to irrigate 230,000 hectares (ha) of semiarid barren land in the North-West Frontier Province and Punjab province by diverting water from the Indus River at the Chashma Barrage. The project is intended to provide irrigation and drainage facilities to about 135,000 ha of cultivable command area, increasing both crop and livestock production.



Chashma irrigation main canal at Sanghar

A request for inspection on the project was received in November 2002 under the previous Inspection Function. The requesters claimed that ADB breached its operational policies and procedures resulting in material harm to project affectees which included project induced flooding and involuntary

resettlement; inadequate compensation for loss of land, other assets and livelihoods; adverse impacts on traditional *rod kohi* (spate irrigation system from hill torrent flood waters) farmers; design-related social and environmental problems; and lack of information sharing, consultation and participation of affected people. In August 2004, the Board considered the Board Inspection Committee's Report and Recommendation on the Request for Inspection and approved the recommendations of the Inspection Panel (see *Box 4 for the recommendations*).

Box 4: Inspection Panel's Recommendations on the Chashma Project

(i) ADB discuss with the Government of Pakistan the possibility of extending the Project completion date and utilizing surplus loan proceeds to address the most significant of the remaining problems in the Project, as described in the Inspection Panel's Report. Assuming agreement with the Government on extension of the Project completion date and utilization of surplus loan proceeds, remedial actions for such problems are to be carried out in accordance with currently applicable ADB requirements, including full participation of the affected communities and their representatives, full compensation for any losses and restoration of livelihoods of communities and households that have been adversely affected, assessment of the environmental and social impacts of any new construction work or major changes in the water management regimes for the Project, and monitoring and evaluation by an independent entity acceptable to all parties;

(ii) ADB discuss with the Government of Pakistan arrangements to ensure long-term funding (i.e., for at least five years) for the implementation of a full Environmental Management Plan for the Project, following preparation of a full Environmental Impact Assessment of the Project, so that a long-term approach can be adopted and meaningful consultative and participatory processes carried out;

(iii) agreement between ADB and the Government on the matters described in items (i) and (ii) above, including any timetables, be captured and carried out as legally binding obligations upon the parties;

(iv) with respect to ongoing and future large-scale canal irrigation projects of ADB, ADB ensure that appropriate, reliable, transparent and participatory mechanisms are in place, so that the requirements under ADB's Policy on Involuntary Resettlement and Anticorruption Policy, specifically with regard to the following, can be carried out:

- (a) adequate compensation for land acquisition on a land-for-land basis or, when not possible, on a cash compensation basis at levels that enable the affected households to buy land of equivalent value;
- (b) any issues relating to corruption; and
- (c) the borrowing country's carrying out of any resettlement in accordance with requirements under ADB's Policy on Involuntary Resettlement; and

(v) ADB ensure that (a) sufficient ADB human resources are available to ensure a satisfactory level of support for, and monitoring of, the implementation of any resettlement plans, environmental management plans or other measures required under ADB's safeguard policies; and (b) ADB staff are aware of their duties and obligations in the formulation, processing and implementation of ADB-assisted projects pursuant to ADB's operational policies and procedures.



CRP Chair Augustinus Rumansara discussing with affected people at Jhok Katehra

ADB Management's Action Plan. From late 2004, ADB worked with GOP on a draft action plan based on the Board decision. The GOP confirmed the Aide-Memoire of ADB's February 2005 mission containing the final draft action plan. ADB Management's action plan included 16 follow up actions to implement the recommendations of the Grievance Redress and Settlement Committee (GRSC), Environmental Management Plan (EMP), and Hill Torrent Management Plan (HTMP). The action plan included initiatives to address the problems on forest degradation and reduced access to fuel wood, restricted access to grazing land in previously unirrigated land, and possible development of new agro-industries. A new complaint center under the Chashma Project was established to register and process other complaints that may be raised against the Project.

CRP's First Annual Monitoring Report 2004-2005. In the conduct of its monitoring mandate, the CRP consulted with affected people, NGOs and government officials. The NGOs contacted by the CRP decided to boycott the CRP and its field visit, citing as reasons their dissatisfaction with the development and consultation processes associated with the GRSC and its recommendations, the Board's support of the GRSC, and ADB Management's development of the action plan.

The CRP submitted its First Annual Monitoring Report to the Board in August 2005, and a Supplementary Report in December following its monitoring mission fielded in November. The CRP noted that the loan closing date had been extended to 30 June 2009 in order to utilize the remaining loan proceeds for the remedial actions. Implementation of the GRSC recommendations is ongoing and some progress has been made on compensation for land acquisition cases. The project affectees met by the CRP raised the following problems in the implementation of remedial actions and on the project: (i) inadequate compensation for land acquired; (ii) inadequate or lack of compensation for damage to land, crops and trees, loss of infrastructure or dwellings (at Makwal Kalan); (iii) lack of irrigation water (at Lalu); (iv) flooding in the tail end of incomplete watercourses (at Mor Jhangi); (v) flooding on the west side of the Chashma canal (at Sokar and Jhok Katehra); (vi) incomplete flood carrier channels (FCCs) at Jat Wah and Mahoi resulting in flowing to the land of the landowners or occupants in the area between the incomplete FCC and the Indus river, as there has been no consensus on design and construction matters from the people; and (vii) the need for improvement or extension of flood protection bund and livelihood facilities such as drainage arrangement and shingled ramp (at Jhok Katehra). The Panel noted in its report the need for a monitoring and evaluation of the GRSC recommendations by an independent entity. In response, ADB Management has prepared a technical assistance for independent monitoring of remedial actions on the Chashma Project.

The expanded EMP includes initiatives to address issues of forest degradation, restricted access to grazing in previously unirrigated land, and possible development of new agro-industries. The expanded EMP will be implemented in 2 phases under the National Drainage Program until the closure of the ADB-



Incomplete watercourses at Mor Jhangi

assisted National Drainage Sector Project (31 December 2006) and thereafter (till 30 June 2009) under the Chashma Project. The implementation of the expanded EMP has been delayed and is now expected to commence this year. The HTMP aims to reduce the risk of flooding in the Chashma Right Bank Canal by constructing flood dispersion and diversion structures in 3 hill torrents that cross the Chashma Project section, namely, Sanghar, Vehowa, and Kaura hill torrents. The structures will divert torrential floods to branch channels in a controlled manner, thereby decrease the flood discharge to downstream, and increase the volume of flood water that can be used for spate irrigation in the alluvial area. The implementation of HTMP has also been delayed. The feasibility study was provided by GOP to ADB in May 2005 but financing by ADB has not been approved due to technical issues on the safety of divergence structures on the hill torrents to be covered under the HTMP. The CRP will submit to the Board its second annual monitoring report by August 2006.

B. Request on Southern Transport Development Project in Sri Lanka



A segment of the ADB section of the STDP highway

The STDP (Loan No. 1711-SRI [SF]) consists of a 128-km highway component, linking Colombo with Matara, the district capital of the south and a road safety component. The primary objectives of the project are to further the economic development of the southern region and to help reduce the high rate of road accidents. The total cost of the project is estimated at US\$296 million, with funding mainly from the Japan Bank for International Cooperation (JBIC), ADB, and the Government of Sri Lanka as the borrower. The ADB loan was approved by the Board in November 1999 with a scheduled completion date of 31 December

2005. However, the loan was not declared effective until 30 October 2002 due to delays in complying with the conditions of loan effectiveness, in particular the submission of a satisfactory resettlement plan. The STDP is currently under construction by the Road Development Authority (RDA) as the executing agency for the highway component. The JBIC-financed highway is also subject to ADB policy requirements on land acquisition and resettlement, and environmental impact mitigation.

RDA studied a trace called the "Original Trace" prior to ADB's involvement. Under an ADB-financed feasibility study, a so-called "Combined Trace" was suggested and at the time of Board approval, the "Combined Trace" was to be considered for preliminary and final design based on more detailed mapping. Since loan approval, the trace was changed to what is now called the "Final Trace", inter alia, to accommodate comments of the Central Environmental Authority of Sri Lanka. This change is one of the main reasons for the request.

In December 2004, the CRP received a request for compliance review from the Joint Organization of the Affected Communities on Colombo-Matara Highway representing 25 requesters living in the project area. The requesters claimed that the ADB President's Report and Recommendation to the Board and its attached documentation were for a trace known as the Combined Trace (CT). The requesters claimed that at least 40% of the CT has been altered to a trace known as the Final Trace (FT) for which the required studies and consultations have not been done according to ADB policies. The requesters claimed to be suffering from harm as a result of non-compliance by ADB of its operational policies and procedures under the Project as follows: loss of homes; loss of livelihoods; damage to the environment; degradation to wetlands; dispersion of integrated communities; damage to 5 temples; negative effects of resettlement; and human rights violations. The CRP found the request eligible and the Board authorized the Panel's investigation. The CRP visited the project area and discussed with the requesters, project affectees, government officials, and JBIC officials.

The CRP's Draft Report was issued to both the requesters and ADB Management for comments before the Panel finalized its report (see *Box 5 on the CRP's findings*). The Board approved the recommendations in the CRP's Final Report (see *Box 6 on remedial actions on the STDP*).

The ADB Management has prepared a course of action to implement the Panel's recommendations and has sought the views of the requesters on the remedial actions applicable to them. In its progress report of October 2005, ADB Management informed that it has started implementation of remedial actions including the conduct of the required additional studies on Supplementary Environmental Assessment, Income Restoration Program, and gender issues. ADB Management has reported that the STDP



Project-affected people in Sri Lanka explaining their concerns to CRP members

Box 5: CRP's Findings on the STDP

The CRP concludes that there have been, at some time during the Project from project processing to its implementation, lapses of compliance with the following applicable ADB policies and operational procedures:

- **Operations Manual (OM) Section 20: Environmental Considerations in Bank Operations.** The CRP finds that Management cannot be satisfied with the sufficiency of the Environmental Impact Assessment done in 1999 and the ensuing Environmental Findings Reports for the ADB section. Also, the Galle access road has not received an adequate review of its environmental impacts, and some stretches of the Final Trace well away from the Combined Trace need more attention. Public information and participation in the environmental review process has been inadequate since late 1999.
- **OM Section 21: Gender and Development in Bank Operations.** The CRP finds ADB out of compliance before Board approval where no gender analysis was done although the Report and Recommendation of the ADB President (RRP) to the Board stated that the Project had significant impact on women. After Board approval, the commitments made for special gender action plans have not appeared in the implementation or monitoring details of the Project.
- **OM Section 22: Benefit Monitoring and Evaluation.** The CRP in reviewing both the benchmark analysis in the project documentation, as well as the monitoring system that has been developed to date, comes to the conclusion that the Project cannot be in compliance with this OM until further steps are taken.
- **OM Section 40: Formulation and Implementation of Loan Covenants.** Since the CRP finds that various policies and commitments have not remained in compliance over time, especially with regard to resettlement, the failure of Management to restore compliance is, by itself, a matter of non-compliance with OM Section 40 since many of the issues involved commitments made at Board approval, and in the RRP and Loan Agreement.
- **OM Section 47: Incorporation of Social Dimensions in Bank Operations.** The loss of compliance with this OM Section derives in part from the shifting of the traces, along with an absence of analysis of the Galle access road. The emphasis of the OM, however, is on the vulnerability of certain population groups and households, which need to be identified and assisted throughout the process to ensure they are better off after the Project is completed. The weakness of the Management Information System and the rudimentary income restoration program are serious breaches of compliance that will pose major challenges to bring the Project back into compliance with this OM.
- **OM Section 50: Involuntary Resettlement.** The CRP concludes that compliance with this OM Section has been problematic since Board approval, with the significant shifts of the trace without public participation. The CRP is also concerned about Management's inattention to independent monitoring and the need for supporting performance in the areas of compensation and resettlement.
- **Project Administration Instruction (PAI) No. 5.04: Change in Project Scope or Implementation Arrangements.** The CRP has identified a number of major changes in the Project that might normally trigger a review by the operations department, and believes that the Project is out of compliance until formal determination of the change of scope issue has been settled.

Box 6: Project-specific remedial actions approved by the Board on the STDP

The Board considered and approved the 15 recommendations of the CRP including the following:

- assess the environmental impacts of the Galle access road and any stretch of the ADB section on the Final Trace (FT) different from the Combined Trace (CT) including consulting project-affected people
- ensure the incorporation of the environmental impact assessments and the recommended mitigation measures of any stretch of the ADB section on the FT different from the CT and of the Galle access road in the Environment Management Plan (EMP) for the Project
- review the cofinancing arrangements in the STDP with a view to strengthening policy compliance for the whole Project
- require that all affected persons (APs) be fully compensated by actual payment before they are moved
- determine whether or not there has been a change of scope in the Project, as provided in Project Administration Instruction No. 5.04
- assist in the income restoration program and the establishment of household benchmarks through the Management Information System (MIS) for the APs as called for in the Resettlement Implementation Plan (RIP)
- ensure that full project information, especially the essential elements of the RIP, be provided in an appropriate language to each affected household, rather than simply making it available at the district offices and
- help establish well-staffed monitoring of resettlement activities by an independent institution, forwarding concerns to RDA for urgent action from the APs.

project website on the ADB website has been expanded to include project information including the English and Sinhala version of the Resettlement Implementation Plan and the entitlement matrix. It has also reported that land acquisition, compensation and resettlement activities are progressing. The CRP will field a monitoring mission in May 2006 and get feedback from affected people, NGOs, and government officials. The Panel will submit to the Board an annual monitoring report by July 2006.

IV. Lessons Learned

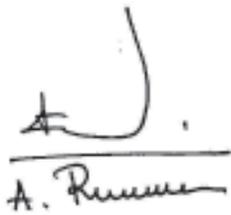
The Panel considers an important part of its function to distill useful lessons from the overall flow of activities at the CRP for use by ADB in reducing the causes of future complaints and improving the effectiveness of the Accountability Mechanism. While the CRP has a limited set of cases thus far, it is already clear that certain issues can be addressed for the long-term health of the ADB:

1. Consultation, disclosure, reporting and accountability all go hand in hand in enhancing the development effectiveness of the ADB, as urged by the Board, through the participation of project beneficiaries. The people living in project areas, where financing is provided by the ADB and other development institutions, have little or no knowledge of accountability mechanisms. While many countries have been steadily democratizing in recent decades, thus making local institutions more amenable to providing remedies to problems, the fact that many projects are located in rural areas where the sense of political participation is limited means that it is not a simple challenge to foster the ADB's transparency and accountability requirements among affected people. There are recurrent reports through the review of projects to indicate inadequate consultation, disclosure, and reporting among stakeholders including on issues related to social and environmental safeguards. Although ADB requirements on consultation and disclosure are clear and safeguard policies are focused, there is a gap between ADB requirements and their application in implementation of some projects. ADB must ensure that its requirements of consultation and disclosure are effectively carried out both during project processing and project implementation so that gaps do not remain.
2. The scale of infrastructure projects often involves two or more donors, as seen in the STDP. The statement of policies by donors about the prevailing policy standards in such project environments may be incorporated into the documentation with care, but if the implementation is fragmented, there is no guarantee that the application of policies will be harmonious. While many ad hoc problems that arise can be solved through periodic discussions and exchanges of information, the problems become less tractable when safeguard issues of the environment and social sectors are brought into the mix. The affected public cares less about specific donor financing and their institutional policies and more about a predictable framework for identifying accountability. ADB must ensure that its policy requirements for the whole cofinanced project are followed up during project implementation.

3. Monitoring the steps taken to carry out Board-approved remedial actions, as experienced in the Chashma Project, is fraught with contradictory perceptions of the monitoring process. The adversely-affected people expect the CRP and ADB to use the compliance review to provide personally-specific remedies to their problems. The CRP knows that remedial actions can only be carried out by ADB Management working with the executing agency and the project affectees to bring the project into compliance.

V. Budget

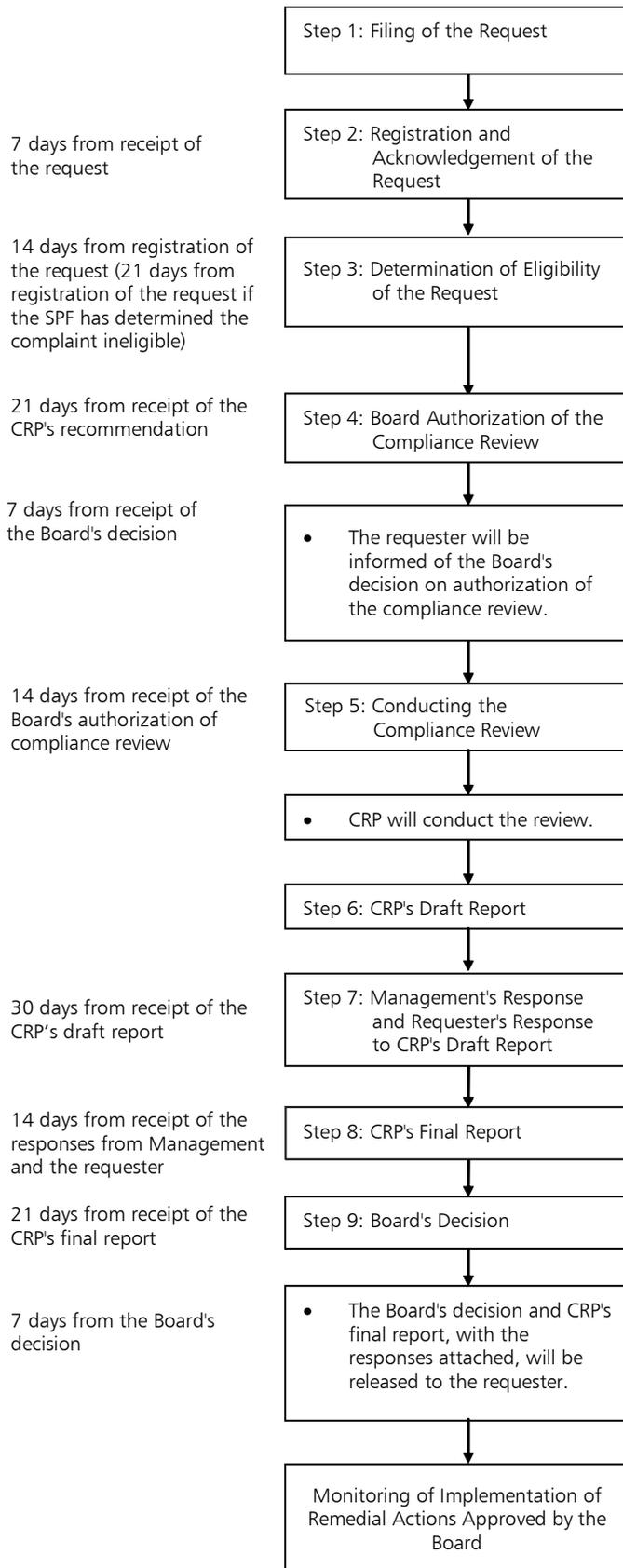
The CRP and its secretariat incurred a total of US\$895,768 for the following: the STDP request, the Chashma Project monitoring mandate; CRP meetings; hosting of the 2nd Meeting of Accountability Mechanisms; outreach activities; and translation of information brochure and the CRP Operating Procedures.



A. Rumansara

Augustinus Rumansara
Chair, Compliance Review Panel
31 March 2006

The Compliance Review Process



When to file a request?

- Under the ADB Accountability Mechanism, claimants need to first file a complaint with the Special Project Facilitator.
- Claimants can then file a request if the complaint is found ineligible, if they are not satisfied with the consultation process, or if the consultation is at advanced stage and there are serious concerns on compliance issues.

Who can file a request?

- any group of two or more people (such as an organization, association, society, or other grouping of individuals) in a borrowing country where an ADB-assisted project is located or in a member country adjacent to the borrowing country
- a local representative of the affected group
- a nonlocal representative, in exceptional cases where local representation cannot be found and the CRP agrees
- any one or more members of the Board after raising their concerns first with ADB Management, in special cases involving allegations of serious violations of ADB's operational policies and procedures relating to an ongoing ADB-assisted project.

How to file a request?

- **In writing:** A request must be made in writing and sent to the Secretary, Compliance Review Panel by mail, facsimile, or electronic mail, or be hand delivered to the ADB Headquarters in Manila or to any ADB resident mission or representative office.
- **Language:** A request may be submitted in English or in any of the official or national languages of ADB's developing member countries, if the requester is unable to provide an English translation.
- **Identity:** The identity of the requester will be kept confidential if requested, but anonymous complaints will not be accepted.

Compliance Review Panel

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