



Successful Community Engagement Around Energy and Infrastructure Projects in Africa

Nairobi, Kenya
May 5, 2014



I. Summary

The Office of Accountability (OA) of the U.S. Overseas Private Investment Corporation and the Compliance Review and Mediation Unit (CRMU), the secretariat of the Independent Review Mechanism, of the African Development Bank (AfDB) convened a one day workshop on “Successful Community Engagement around Energy and Infrastructure Projects in Africa” on May 5, 2014 in Nairobi, Kenya at the East Africa Regional Resource Centre (EARC) office of the AfDB. The workshop was organized in coordination with Power Africa, an initiative to double power access throughout Sub-Saharan Africa. Present at the workshop were sixteen private sector representatives,¹ four U.S. Government staff, three representatives of AfDB project implementation units, and four AfDB staff.

II. Objective

The objective of the workshop was to promote mutual learning of good practices for engagement of private developers with project-affected communities. An underlying assumption of this objective is that reducing the risk of uncontrolled conflict with stakeholders strengthens the sustainability of energy and infrastructure projects.

III. Agenda

The agenda consisted of three plenary sessions: analysis of conflicts in energy projects, good practices for preventing disputes, and good practices for resolving disputes. Then two concurrent break-out sessions were convened: a mini-case study of actual energy conflict and a discussion of how existing problem-solving services offered by financial institutions could be made more useful to the private sector. The workshop concluded with a plenary to receive read-outs of the break-out sessions.²

The first session introduced various origins of conflict around energy projects and a typology of such conflicts, with some emphasis on Africa-specific conditions.³ The discussion portion quickly shifted from a focus on conflicts themselves to how to avoid them.

In the second session, presenters emphasized that a key aspect of avoiding disputes with communities is to treat various environmental and social safeguards as a way of mitigating risk rather than merely as lender requirements. Accordingly, presenters offered an overview of their institutions’ environmental and social safeguards with attention to baseline analysis, conflict risk assessment, early and frequent community consultation, and participatory corporate social responsibility (CSR).⁴

In the third session, presenters discussed their respective problem-solving and compliance review services, and cast them in the context of a broader menu of resources to address incipient

¹ See Annex A for private sector participant list.

² See Annex B for full workshop agenda.

³ See Annex D for presentation slides on energy conflict.

⁴ See Annexes E and G for presentation slides on avoiding disputes.

disputes, including grievance redress mechanisms and other local approaches.⁵ From the discussion portion, it was clear that participants would prefer to resolve disputes locally before appealing to independent third parties.

After the plenary sessions there were two concurrent break-out sessions. One focused on an actual energy project conflict, using an abbreviated Harvard Business School approach for participants to analyze a case study. The other break-out session discussed the effectiveness of AfDB and OPIC's accountability mechanisms and what could be done to improve their accessibility.

IV. Key Points Raised in Discussions

Roots of Conflict

- Conflicts can emerge from small energy projects as well as large ones, although the nature of the conflict may be quite different.
- Even though a host country government has issued legally required licenses and permits, conflicts may still arise if locally-affected communities have not granted a social license for the project.
- Inter-tribal tensions can be a major issue, especially in areas where several tribes co-exist. If there are pre-existing barriers to trust among the tribes, it will be hard for the developer to establish trust with them.
- The Bujagali project exemplifies “supply driven” demands for compensation from affected stakeholders. That is, some stakeholders appeared to use an expanding need to placate ancestor spirits in the project area to continue to elicit compensation from the project developer.
- The need to ensure project security can become a source of conflict. An example was given of local fisher people violating a buffer zone that was created to protect project infrastructure. In that case, the company wanted to avoid going to the police to enforce the buffer zone.
- Pre-existing tensions and distrust in the project-affected area, by themselves, may be enough to generate a high risk of conflict without even considering project characteristics. When such conditions are present, it becomes more important for developers to demonstrate that there will be benefits to the community, and that the company is committed to not repeating past mistakes.
- Project developers may get blamed for issues that are the responsibility of the host country government, such as maintaining related public infrastructure.
- Disputes can arise if there are perceptions that employment opportunities in project construction and operation favor some groups over others.

⁵ See Annexes F, H, and I for presentation slides on accountability mechanisms.

- Some types of projects have characteristics that pose special challenges to company-community relations. For example, biofuel projects typically involve collecting feedstock from many sources and transporting it to a central location for processing. The local aggregator needs to have both logistical and community relations skills to effectively implement a collection plan.

Initial Engagement with Communities

- If a developer engages early with the affected communities, the risk of becoming surprised by incipient conflict is reduced. Initial impressions are critical in gaining trust.
- The company's local partner is its representative on the ground who will sit with the communities. The partner is thus key to establishing and maintaining good community relations. Due diligence in selecting local partners is important to ensure that the partner will be credible with affected communities but independent from them, and will promote the broad interests of the project, rather than the partner's self-interest.
- When project developers seek to gain a community's trust, it may be useful for the developer to distinguish between people who can inform the community about the project from people within the community who are trusted and can validate the information provided.
- Treating everyone equally is critical, even when mid-course corrections are needed regarding how a project is implemented.
- Preventing and resolving disputes should be elements of a broader community engagement strategy.
- Having a community liaison officer, ideally from the area and trained in community relations, is important.

Corporate Social Responsibility (CSR)

- Project developers need to establish internal capacity and a strategy for CSR. It may be appropriate to establish a small internal CSR team.
- Developers should ask that affected communities select representatives to participate in a CSR committee. At the same time, developers may need to monitor the participation of the community representatives to ensure that they are promoting the interests of the community rather than personal interests.
- Developers should be prepared to address community requests for support and identify which benefits from the project are going back to the community. In some cases, this could include access to electricity services even when the project is primarily designed to provide electricity for distant demand centers. However, electrification may not be the top priority for some communities. Developers may need to manage expectations from communities.
- The delineation between services provided by the CSR and services provided by the local government needs to be clear and coordinated. Sometimes government infrastructure is far

from the project location and cannot be depended on to provide normal services to affected communities. At the same time, developers should avoid creating a dependency in which CSR programs replace roles that should be fulfilled by government authorities.

- Developers need to be careful to avoid setting an unrealistic precedent for future projects in terms of the level of CSR support that is being offered.

Community Partnership

- CSR can be used to create mutual incentives for project success. For example, if a CSR trust fund is established, the amount of money that the company contributes to the fund each year is determined by the kwh generated by the power project. A CSR committee then determines priorities for spending the money accumulated.
- Ideally, communities should be treated as full partners, but this does not happen automatically nor is it feasible in all projects. It is necessary to first establish a dialogue to determine what an appropriate partnership would be. It is better for the community to organize itself as a group with representatives than for the company to negotiate with individuals.
- Some communities are better organized than others. In cases where the community has limited capacity to engage with the developer, it may be important but challenging to identify an independent local party that can provide advice to the community in how to engage with the company and to evaluate the proposed project.
- The ability to treat communal resources as a community's contribution to project equity depends on local land tenure arrangements as well as local knowledge of land tenure. Other challenges include establishing appropriate valuation of such land, given prior uses, and establishing an appropriate equity return.

Engagement with Host Country Government

- Local government authorities may be a source of knowledge when developers seek to assess the risk of conflict.
- In some countries, local (e.g. county) governments may have functions that are parallel to those at the national government level. In such cases, it is helpful to educate local government authorities about projects, and to coordinate with them regarding CSR programs to avoid duplication of effort.
- Even though a project may have received government approvals, authorities may "shift the goal posts" and seek more support from the developer.
- The Government of Kenya is enacting a constitutional amendment that allocates a "stakeholdership" percentage of the revenues from private concession agreements to county governments. As this amendment becomes implemented, developers in Kenya will need to factor it into their financial plans. Since concession agreements may specify what the

developer contributes to CSR, developers are uncertain whether county governments will also give back to affected communities from the stakeholderships.

Dispute Resolution

- If a developer has the right people on the ground, tensions are less likely to escalate into actual disputes.
- It is important to have an open exchange before positions harden. Project developers can take measures to de-escalate incipient tensions, such as holding a town gathering that allows local people to vent frustrations.
- Establishing trust in a dispute resolution process is key. The challenge is to find someone from the community who commands sufficient respect to be listened to. Tribal leaders may serve as mediators.
- When disputes arise between affected communities and project developers, the first approach is to try to sort them out directly between the parties involved. Third parties brought in from the outside may be perceived as being aligned with the developer.
- It may be necessary to counter perceptions that the mediator is biased depending on which party pays for the mediator.
- The court system is a last resort for resolving disputes with affected stakeholders, not an attractive option.
- If a dispute becomes escalated to the point of threats of physical violence, the developer may need to take strong visible countermeasures aside from making its case to the community. In one case, the developer unilaterally suspended all project construction as an effort to re-establish trust. But before such steps are taken, the developer should analyze how long the project would remain viable if suspended.
- Developers may not have much leverage in a dispute even when they have acquired all required government approvals if the government is not willing to publicly stand behind those approvals, especially when the approvals were granted by a previous administration.

Recommendations for International Financial Institution (IFI) Accountability Mechanisms

- Project preparation assistance and capacity building:
 - Dialogue with OPIC/AfDB earlier, before project implementation or financing
 - Develop processes for identifying relevant stakeholders
 - Identify individuals and stakeholders with power interests
 - Provide information to investors on the possible community/project specific risks
 - Develop a “how to” approach to assist investors in selecting projects
- Improving dispute resolution services:
 - Fund compensation issues
 - Offer services to non-affiliates or include them in partners list

- Expand accessibility to services
- Influence activities of local government that may be delaying the investor/developer's efforts
- Useful forms/channels of outreach from CRMU and OA to developers:
 - Create feedback channels for investors to understand ups/downs of business
 - Develop mapping to help developers understand the stakeholders and to provide a proper investment tool kit
 - Share successful models of developments
 - Create sequenced work-plan for developers
- Recommendations regarding IRM's (AfDB) approach to handling requests related to private sector investments
 - Treat private sector differently from public sector
 - Focus more on problem-solving rather than compliance review
- Participant Questions
 - Q: What are the circumstances in which an IFI's accountability mechanism could accept a complaint from a company about a community?
A: The OA can accept requests for problem-solving from affected stakeholders and OPIC clients. The above example of the fishers violating the buffer zone was given, and a suggestion was made for getting the fishers to police themselves.
 - Q: At what point in the IFI financing process would the developer be eligible to receive assistance on dispute prevention or resolution from the IFI?
A: Policies regarding dispute prevention and resolution services differ across IFIs.
 - Q: Can IFI accountability mechanisms mediate disputes between project developers and host government authorities?
A: The OA cannot accept such requests; however, if a host government authority is indirectly implicated in a dispute the OA would seek to bring the authority to the mediation table, at least as an observer.
 - Q: Can IFI early project preparation support be used to help developers address community engagement issues?
A: The U.S. Government has some limited resources (Africa Clean Energy Facility) that are potentially available by request for such purposes.

V. Evaluation and Next Steps

The organizers received 16 completed evaluation forms. The feedback overall was quite positive. Participants found the case study break-out session and the plenary sessions on reducing risk of disputes and resolving disputes particularly useful. The open discussion among developers about their experiences was also highlighted as a strong point of the workshop. Participants expressed high levels of comfort in sharing their own company's experiences.

Suggestions for future workshops included having more interactive sessions and group discussions, going into more detail, and allowing the workshop to go for two days. Participants also expressed interest in receiving a set of “best practices” on community engagement strategy and on successful CSR models.

VI. Annexes

A. Private Sector Participant List

Company	Name	Title	Location
Cummins Cogeneration Kenya/Viability Africa	Yash Krishna	MD, Cummins Kenya	Nairobi
Cummins Cogeneration Kenya/Viability Africa	Damaris Akoth	Agronomist	Nairobi
Cummins Cogeneration Kenya/Viability Africa	Patricia Kilungu	Human Resources	Nairobi
Contour Global KivuWatt Limited	Superiano Gatera	Community Liaison Officer	Rwanda
East Africa Power Limited/Viability Africa, LLC	Violet Omwenga	Project Manager, (Environmental and Social Expert)	Nairobi
East Africa Power Limited/Viability Africa, LLC	Natasha Georgete	Project Manager, (Environmental and Social Expert)	Nairobi
Harith General Partners	Lesiba Morallane (Mr.)	Investment Director - CEO's Office	South Africa
Harith General Partners	Theli Gabelana (Mr.)	Legal & Risk Manager	South Africa
Lake Turkana Wind Power Project (LTWP)	Nick Taylor	Chief Operations Officer	Nairobi
Mapembasi Hydropower Co Ltd.	Barton Shedrack	Project Manager	Dar es Salaam, Tanzania
Reykjavik Geothermal	Loftur Gissurason	Head of QHSE & CSR	Iceland
Reykjavik Geothermal	Emma Baz	Director Engineer	Iceland
Virunga Power	Brian Kelly	Managing Director	Nairobi
Virunga Power	Antony Mirie	Head of Business Development	Nairobi
OIL International	DL Mcneal	Director Global Strategy	-
General Electric Africa	Hunter Josiah	Commercial Counsel	Nairobi

B. Workshop Agenda

8:30 – 9:00 Registration

9:00 – 9:30 Opening Session

Moderator: Mr. Sekou Toure, Director, Compliance Review and Mediation Unit, African Development Bank (AfDB)

- Welcoming remarks: Mr. Gabriel Negatu, Director EARC, AfDB
- Remarks by the US Government: Mr. Andrew Herscowitz, Coordinator for Power Africa and Trade Africa, USAID
- Overview of the agenda, guideline for discussion, and introduction of the Accountability Mechanisms - Independent Review Mechanism (IRM) of the African Development Bank (AfDB) and Office of Accountability (OA) of the Overseas Private Investment Corporation (OPIC): Dr. Keith Kozloff, Director OA; Sekou Toure, Director Compliance Review and Mediation Unit (CRMU)
- Introduction of participants

9:30—10:45 Presentation and Discussion – Understanding disputes around energy and infrastructure projects

Moderator: Dr. Keith Kozloff, Director OA

- Categories, cases, causes, and costs
- Experiences of participants

10:45 – 11:00 Tea/Coffee Break

11:00 – 12:00 Presentation and Discussion – Reducing the risk of disputes with project-affected communities

Moderator: Mr. Sekou Toure, Director CRMU

- Role of IFI safeguards policies and procedures
- Role of host governments
- Experiences of participants

12:00-1:00 Presentation and Discussion – Resolving disputes with project-affected communities

Moderator: Peter Ballinger, OPIC Managing Director and Africa Regional Representative

- IFI dispute resolution services (e.g. CRMU and OA)
- Good practices for bilateral approaches (e.g. project-level grievance redress mechanisms)
- Other third party resources potentially available to project developers
- Experiences of participants on good practices for company-community engagement

1:00 – 2:00 Lunch Break

2:15 – 3:45 Break-out Sessions

Break-out Session One: Analysis of an actual company-community conflict

Moderators: Dr. Keith Kozloff, Director OA and Mr. Peter Ballinger, OPIC Managing Director and Africa Regional Representative

- Options for company actions to prevent the conflict
- Options for company actions to manage the conflict
- Options for the company to seek outside help
- Recommendations regarding AfDB's IRM approach to handling requests related to private sector investments

Break-out Session Two: Effectiveness of the AfDB and OPIC's Accountability Mechanisms

Moderators: Mr. Kurt Lonsway, Division Manager ONEC3 AfDB and Sekou Toure, Director CRMU AfDB

- What types of project preparation assistance/capacity building would be useful to project developers in establishing and maintaining constructive relations with affected communities?
- How could OPIC and AfDB dispute resolution services be made more useful to project developers and investors? What are the types of support regarding safeguards and community engagement issues that they might need?
- What forms/channels of outreach from CRMU and OA to developers would be most useful?
- Recommendations regarding IRM's (AfDB) approach to handling requests related to private sector investments

C. PowerPoint: Introduction

Office of Accountability Functions

1. Problem-solving helps resolve conflicts around environmental and social effects of projects supported by OPIC.
 2. Compliance review helps ensure that OPIC applies environmental and social policies appropriately.
- Accessible to stakeholders
 - Independent of OPIC transactions
 - Predictable and transparent
 - Impartial on issues raised and parties in conflict



1



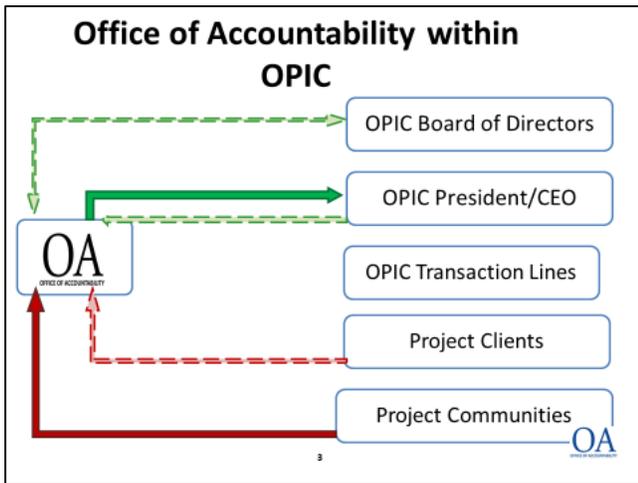
How does OA contribute to sustainable investment?

- Problem-solving processes:
 - Contributes to social stability via citizen participation in decisions that affect them
 - Transforms relationships between client and affected communities
 - Reduces business risk by strengthening social license to operate
 - Uncovers hidden value via generating options
- Compliance review processes:
 - Improves OPIC's engagement with client
 - Generates lessons for OPIC to enhance sustainability of future projects



2





How OA fits into options for managing community relations

- Dispute prevention
 - CSR program
 - Community liaison officer
- Bilateral dispute resolution
 - Traditional approaches
 - Project grievance mechanism
- 3rd party dispute resolution
 - Cour D'Arbitrage
 - Environmental Agency
 - National Workers Confederation
 - Conventional court system
- International resources
 - OA
 - OECD National Contact Point

The photograph shows a group of people, including men and women, sitting around a table in a meeting room. They appear to be engaged in a discussion or a meeting. The setting is a formal meeting room with a table and chairs.

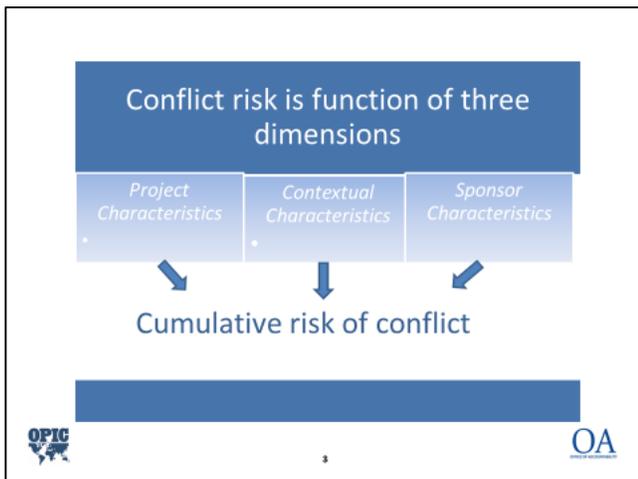
D. PowerPoint: Energy Project Conflicts

Energy Project Conflicts: Causes, Costs and Cases

Workshop on Constructive Community Engagement
 OPIC Office of Accountability & AfDB Compliance Review and Mediation Unit
 May 5, 2014
 Nairobi

Types of energy-related conflicts

- Transnational tensions over energy resources
- Public opposition to energy sector reforms
- Competition over use of energy revenue flows
- Disputes over IFI energy policy & projects
- Concerns about local impacts from energy projects



Small clean energy projects not immune to conflict

- Overlap with biodiverse and indigenous zones
- Cultural values attached to land and water resources
- Biofuels production may displace previous resource uses
- Local people may not care about national or global benefits

The photograph shows a group of people holding a banner during a protest. The banner has text in both English and another language, including 'NGAL PROYECTO EDLICC'. The background shows trees and a building.

Previous conflicts around IFI-financed projects in Africa's power sector

Project Name	Country	IFI (s)	Description
Bujagali	Uganda	WBG, AfDB	250 MW hydro
Gibe III	Ethiopia	AfDB	1870 MW hydro
Highland Water	Lesotho	WB	270 MW hydro
Nuweiba	Egypt	EIB, AfDB	750 MW combined cycle
Medupi	South Africa	AfDB, IFC	4764 MW coal



5

Issues often raised in these conflicts

- ESIA process
- Public disclosure
- Community consultation
- Mitigation, compensation and community benefits



6

Factors affecting potential for conflict around energy projects in Africa

- Supply/demand mismatch
- Limited governance capacity
- Growing citizen voice
- Cultural sensitivities
- Frontier markets
- Pressure to expand energy supply quickly



7

Costs of conflict cut across company functions

- Lost Productivity
- Capital Losses
- Reputational Damage
- Personnel Costs
- Redress Costs
- Security Costs
- Insurance-Related Costs



8

Questions for discussion

- Has your company ever been surprised by issues arising with communities?
- In hindsight, what were their antecedents?
- Role of project design, local context and company actions?
- Mis-match between who benefits from project and who experiences costs or externalities?



9

E. PowerPoint: Reducing the Risk of Conflict With Communities

OPIC Environment and Social Policies

- OPIC works closely with clients to meet international best practices
- OPIC follows IFC's Performance Standards
- OPIC Environment and Social Policy Statement






IFC Performance Standards

- PS1 – Social and environmental assessment
- PS2 – Labor and working conditions
- PS3 – Pollution prevention and abatement
- PS4 – Community health, safety and security
- PS5 – Land acquisition and resettlement
- PS6 – Biodiversity conservation
- PS7 – Indigenous peoples
- PS8 – Cultural heritage




More good practices for avoiding conflicts

- Assess conflict risk ex ante
- Reduce potential misinformation via robust transparency
- Catch grievances before they escalate out of control
- Consider supporting multi-stakeholder planning processes
- Make communities partners in project success




Role of host country authorities

- Concession and off-taker agreements
- Complementary investment in distribution
- Environmental permits and conditions
- Public consultation and disclosure
- Monitoring
- Grievance mechanisms
- Coordination with company on CSR



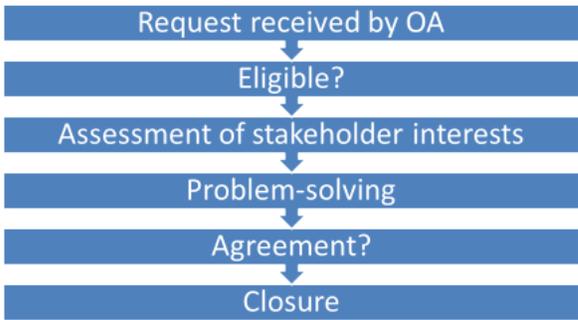

F. PowerPoint: Resolving Disputes with Project-Affected Communities

If disputes emerge...

- Traditional community dispute resolution
- Project grievance redress mechanism
- Host government authorities
- OA problem-solving services (OPIC clients)
- Private mediation resources




OA problem-solving process



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graph TD
    A[Request received by OA] --> B{Eligible?}
    B --> C[Assessment of stakeholder interests]
    C --> D[Problem-solving]
    D --> E{Agreement?}
    E --> F[Closure]
    
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Questions for discussion

- What has been your experience with project level grievance mechanisms?
- What types of issues are less amenable to bilateral approaches to resolution?
- Under what circumstances would you consider engaging neutral 3rd party to mediate a dispute?
- What would you consider in deciding whether or not to request service from OA or CRMU?



3

G. PowerPoint: Risks of Disputes with Affected Communities



Safeguarding Development Results
**SUCCESSFUL COMMUNITY
 ENGAGEMENT AROUND ENERGY &
 INFRASTRUCTURE PROJECTS IN
 AFRICA, NAIROBI, 05 MAY, 2014**



Compliance Review and Mediation Unit (CRMU)

1

RISKS OF DISPUTES WITH AFFECTED COMMUNITIES

RISK IDENTIFICATION	MITIGATION		
	IFIs & SAFEGUARDS	HOST GOVERNMENT	PROJECT DEVELOPER
• Project Type			
• Project Quality			
• Regulatory & Socio-Economic Environment			
• Implementation Framework			
✓ Grievance Mechanism			
✓ Public Consultation			
• Security			

Communities



2

COMPLIANCE REVIEW AND MEDIATION UNIT

□ THANK YOU



3

H. PowerPoint: The Role of the Independent Review Mechanism



Safeguarding Development Results
THE ROLE OF THE INDEPENDENT REVIEW MECHANISM (IRM)
 Compliance Review and Mediation Unit (CRMU)
 African Development Bank Group



MESSAGE

1. AfDB Oversight and Accountability Mechanisms
2. Functions of the Compliance Review and Mediation Unit (CRMU) and the mandate of the Independent Review Mechanism (IRM)
3. Key Features of the IRM
4. Summary of Complaints
5. Challenges and Opportunities of IRM review

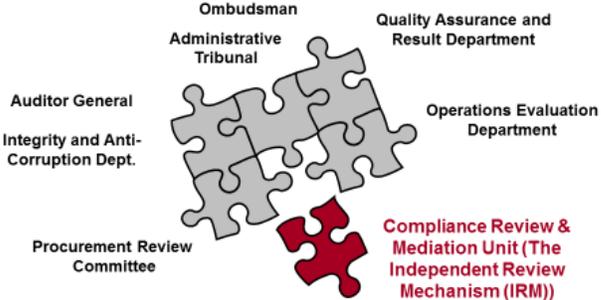



OBJECTIVE

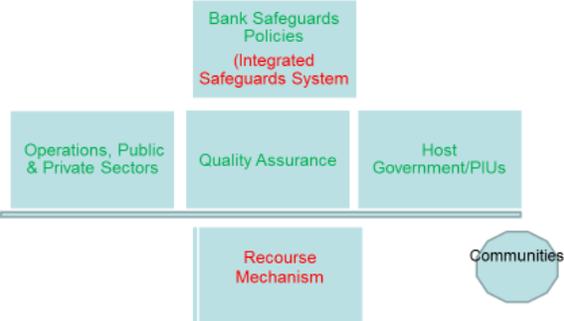
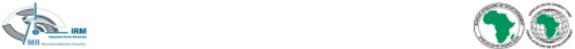
- ❑ One day to focus on Community engagement issues, raise awareness about the work of CRMU and provide information about the IRM, share experience on conflict with communities
- ❑ To discuss opportunities for CRMU engagement with private sector actors



ACCOUNTABILITY MECHANISMS OF THE AfDB




ACCOUNTABILITY AT AfDB

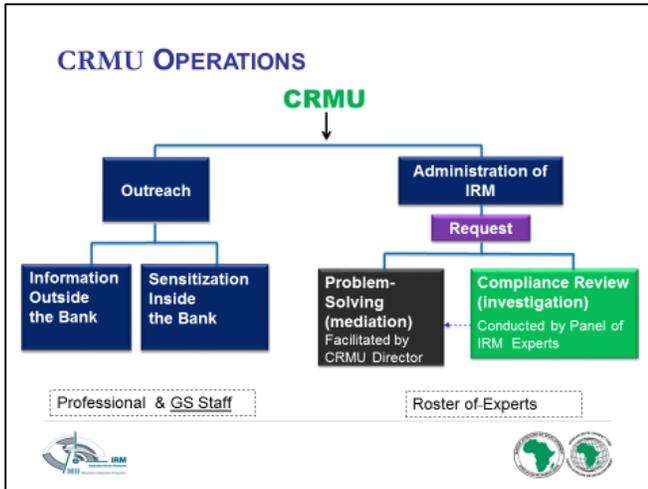
CRMU FUNCTION AND IRM MANDATE

Mandate of the IRM:



“Provide people, adversely affected by a project financed by the Bank, with an **independent mechanism** through which they can request the Bank to comply with its own policies and procedures.”



IRM Functions



- Problems-Solving (Mediation)**
 - Facilitates dialogue among parties
 - Facilitated by CRMU Director and staff, with assistance of external mediators and consultants when needed
- Compliance Review (Investigation)**
 - Investigates allegation of violations of the Bank's policies and procedures, and verifies possible resulting harm
 - Conducted by Independent Review Panels (3 IRM Experts), complemented by specialist consultants

KEY FEATURES OF THE IRM

- Independent from Management and Transparent
- Accept complaints from **people and communities** and intervenes upon receipt of such complaints – **even if** the Bank claims it has complied with policies and procedures
- Encourage Bank staff to pay **due diligence**
- Monitor** implementation of remedial actions made in its reports
- Outreach** (Bank staff, RMCs, NGOs/CSOs)

INTERFACE WITH KEY ACTORS

- Civil Society Organizations
 - Intermediaries with PAPs or Complainants
 - Information dissemination
- Project Implementation Units
 - Project benefits to PAPs
 - Implementation of Settlement Action Plan
 - Outreach



SUMMARY OF ISSUES ARISING FROM COMPLAINTS

- 14 Complaints received between 2007-November 2012
- 5 Not registered
- 9 Registered: 5 Problem-Solving, 3 Compliance Review, 1 both
- Issues in registered request include:
 - Inadequate consultations with project affected people
 - Inadequate compensation & resettlement issues
 - Difficulties in accessing relevant information e.g. ESIA reports, Bank policies and procedures
 - Likely negative impacts of project on people, their livelihoods & the environment
 - Climate change, water, land issues

CHALLENGES



Bank Environment

- Bias on Public Sector
- Private Sector Development Policy
- Integrated Safeguards System

CRMU Mandate on Private Sector Projects

- Service triggered by Request
- CRMU authorize to receive request relating to private sector or other non-sovereign guaranteed projects, only in instances of an alleged breach of the Bank-Group's agricultural, education, health, gender, good governance or environmental policies.

CHALLENGES



Experience

- ❑ No Complaint from private sector related projects
- ❑ Very limited engagement with private sector actors
- ❑ Problem Solving/Community engagement experience

Integrated Safeguards System, and RM Review

- ❑ Review Rules and enhance IRM
- ❑ IRM empowers the Bank to take measures to bring projects into compliance with its policies
- ❑ IRM contributes to achieving better results and enhance development effectiveness.




OPPORTUNITIES WITH PRIVATE SECTOR



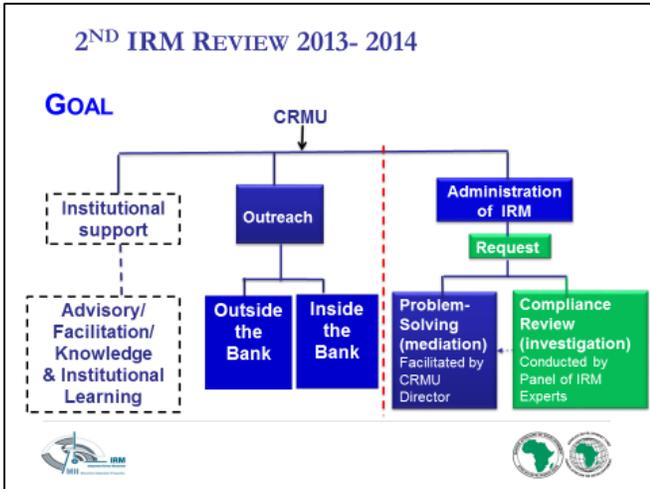
Experience

- ❑ Integrated Safeguards System
- ❑ Private Sector Development Policy

IRM Review

- ❑ Review Rules and enhance IRM
- ❑ Mediation and Advisory Services
- ❑ Focus on CRMU private sector
- ❑ Public consultations.





THANK YOU FOR YOUR ATTENTION!

African Development Bank Group
Compliance Review and Mediation Unit (CRMU)

Tel: +(216) 71102056 | Fax: +(216) 71835699
Email: crmuinfo@afdb.org
www.afdb.org/irm




I. PowerPoint: Independent Review Mechanism Rules



HANDLING REQUESTS
Independent Review Mechanism (IRM) Rules

Compliance Review and Mediation Unit (CRMU)
African Development Bank Group




IRM HANDLING OF REQUESTS

The IRM* handles requests through

- Problem Solving (mediation)
Facilitated by CRMU Director
- Compliance Review (investigation)
Conducted by Panel of Experts

* CRMU administers the Independent Review Mechanism (IRM)




REQUESTS

CRMU accepts Requests:



- Allegations that an actual or threatened material adverse effect arising as a result of failure by the Bank to comply with any of its policies and procedures during design, appraisal and/or implementation of Bank financed the project
- After Requestors make good faith efforts to resolve their complaints with Management prior to submitting a request.



REQUEST

Who can submit a request to IRM?

- Any group of two or more people
- Duly appointed local representatives
- In exceptional cases, a foreign representatives acting as agent
- The Boards of Directors



REQUEST OUTSIDE THE SCOPE OF THE IRM

- Procurement, fraud and corruption, motivated by an intention to gain competitive advantage, already decided upon, received 12 months after final disbursement or the date of cancellation of disbursement amount, Action under responsibility of other parties, with no action or omission from Bank, Adequacy and unsuitability of Bank policies and procedures, Private sector or other non-sovereign guaranteed projects, except in instances of breach of agriculture, education, health, gender, good governance, or environmental policies



DOCUMENTS TO ATTACHED TO REQUESTS

- All correspondence with the Bank
- Notes of meetings with Bank staff
- Map/diagram, if relevant, showing location
- Any other evidence



WHERE TO SEND THE REQUEST

- CRMU at TRA by any means
- Bank field offices (Res rep) list available at www.afdb.org



REQUEST

Contents of the Request



- Description of project
- How Bank Group policies violated
- How the parties are adversely affected
- Steps taken by parties to resolve matter with the Bank and why its response was inadequate
- And if some of the information cannot be provided, an explanation should be included.



FILING REQUESTS

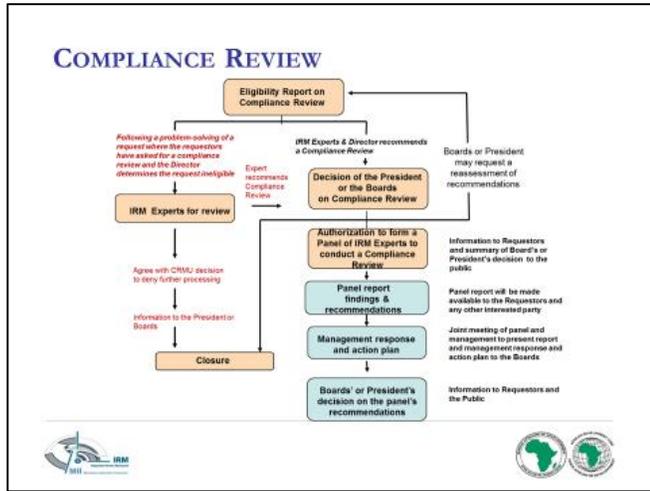
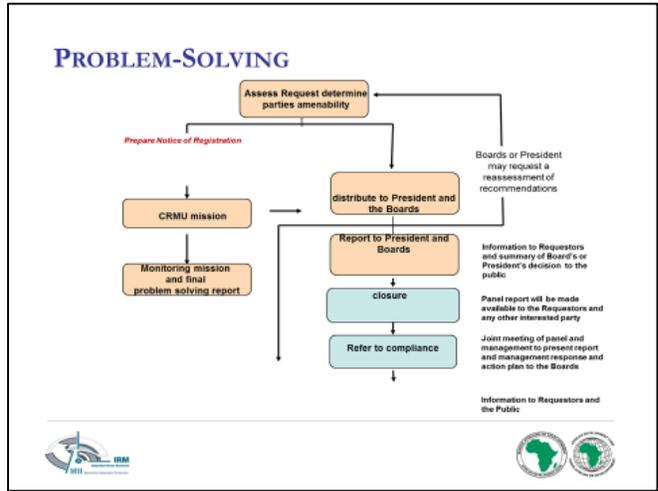
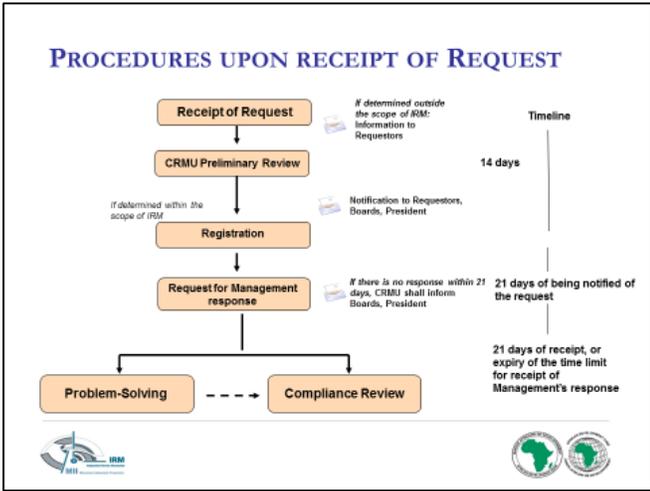
Form of the Request

- No specific format is required.
- In writing, dated and signed and sent by any suitable means (e.g. letter, email, fax, etc.).
- Official languages of the Bank, but can be in local language
- Names and contacts can be kept confidential.

Representatives of Agents

- Written signed proof to act
- Evidence of representation authority and names and contacts of affected people





Key Features

- Provision for IRM Monitoring
- No Award by IRM beyond that expressly contemplated in relevant Bank group policy.
- Impartiality of fact findings and conclusions
- Communication to the requestor
- Management response
- Boards and President to decide on findings and recommendations

Confidentiality

- If a request contains a confidentiality request (Para 7, under Form of Request provision), the Director to determine:
- Action under responsibility of other parties,
- Some Private sector projects

Access to Information

- Full relevant documentation of the Bank
- The Director shall then agree the terms of proceeding with the Requestors or terminate the process if it is not possible to agree upon such terms

Information Management and Dissemination

- Request must be communicated in writing
- Obligation of written acknowledgment and follow-up
- Registration of cases
- Records
- Annual Report



Need for Information to Stakeholder and Project Affected People

- Rules and Procedures
- Information material
- Means of communication (all means, website....)
- Outreach

