



Technical Assistance Report

Project Number: 52223-001
Knowledge and Support Technical Assistance (KSTA)
September 2018

Capacity Building for Grievance Redress and Dispute Resolution During Project Implementation

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Asian Development Bank

ABBREVIATIONS

ADB	–	Asian Development Bank
DMC	–	developing member country
GRM	–	grievance redress mechanism
OSPF	–	Office of the Special Project Facilitator
SDCC	–	Sustainable Development and Climate Change Department
SPF	–	special project facilitator
TA	–	technical assistance
TOT	–	training of trainers

NOTE

In this report, “\$” refers to United States dollars.

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KNOWLEDGE AND SUPPORT TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data		Project Number: 52223-001
Project Name	Capacity Building for Grievance Redress and Dispute Resolution During Project Implementation	Department/Division OSPF/OSPF
Nature of Activity Modality	Capacity Development Regular	Executing Agency Asian Development Bank
Country	REG (GEO, KAZ)	
2. Sector	Subsector(s)	ADB Financing (\$ million)
✓ Multisector	ADB's corporate management, policy and strategy development	0.75
	Total	0.75
3. Strategic Agenda	Subcomponents	Climate Change Information
Inclusive economic growth (IEG)	Pillar 1: Economic opportunities, including jobs, created and expanded	Climate Change impact on the Project Low
4. Drivers of Change	Components	Gender Equity and Mainstreaming
Governance and capacity development (GCD)	Client relations, network, and partnership development to partnership driver of change Civil society participation Institutional development Organizational development	No gender elements (NGE) ✓
Knowledge solutions (KNS)	Application and use of new knowledge solutions in key operational areas Knowledge sharing activities Pilot-testing innovation and learning	
Private sector development (PSD)	Conducive policy and institutional environment	
5. Poverty and SDG Targeting		Location Impact
Geographic Targeting	No	Regional High
Household Targeting	No	
SDG Targeting	Yes	
SDG Goals	SDG8	
6. Risk Categorization	Low	
7. Safeguard Categorization	Safeguard Policy Statement does not apply	
8. Financing		
Modality and Sources		Amount (\$ million)
ADB		0.75
Knowledge and Support technical assistance: Technical Assistance Special Fund		0.75
Cofinancing		0.00
None		0.00
Counterpart		0.00
None		0.00
Total		0.75

I. INTRODUCTION

1. The midterm review of Strategy 2020 and the new Strategy 2030 of the Asian Development Bank (ADB) recognize the need for and give priority to more effective and efficient implementation of ADB-supported projects.¹ One of ADB's key objectives is to improve the standards in developing member countries (DMCs) by strengthening the capacity of executing and implementing agencies to plan, design, finance, and implement ADB-supported development projects. The knowledge and support technical assistance (TA) will increase the efficiency and effectiveness of development projects, as well as their overall sustainability. It will achieve this by reducing the risk of complaints to ADB's Accountability Mechanism, thereby avoiding costs and delays in project implementation. The TA will improve the understanding and application of grievance redress mechanisms (GRMs) and the problem-solving performance of DMCs' executing and implementing agencies and other key stakeholders, such as civil society organizations. This will be accomplished through a capacity development and training program targeting sector portfolios with high safeguards risk. The capacity building and training will build on the recent experience of two regional departments in piloting the program across six locations in four countries. It will be enhanced by analytical research and the establishment of a network of practitioners on GRM and problem-solving or dispute resolution experiences in DMCs. ADB's Office of the Special Project Facilitator (OSPF) will ensure close collaboration on this TA with the Sustainable Development and Climate Change Department (SDCC) and the Office of the Compliance Review Panel. This is funded by ADB's Technical Assistance Special Fund (TASF 6) – Corporate Contingency.

II. ISSUES

2. ADB's policy framework, such as for environment and social safeguards, consultation and participation, and access of project-affected people to ADB's Accountability Mechanism (both for problem-solving or dispute resolution and compliance review), is designed to improve development effectiveness and sustainability. A key provision of ADB's Safeguard Policy Statement (2009) is the establishment of a GRM for each project. Access to a well-functioning GRM is intended to ensure that project-affected people's concerns are dealt with in a timely and fair manner. However, the capacity of executing agencies to design and implement effective GRMs varies across DMCs and sectors.

3. The number of complaints to ADB's Accountability Mechanism, special project facilitator (SPF) and Compliance Review Panel, has significantly increased since July 2017.² The likely reasons for this increase are (i) greater awareness and access to ADB's complaint-receiving system by project-affected people and communities and (ii) the growing size and complexity of ADB's portfolio, particularly the increased emphasis on meeting the region's infrastructure needs. Complaints that are found to be eligible for action by either ADB's SPF or Compliance Review Panel tend to result in substantial project implementation delays and higher costs.

4. A key factor in avoiding the escalation of complaints to ADB's Accountability Mechanism is a well-functioning GRM, according to stakeholders linked to past and ongoing complaints for problem-solving and supported by a limited amount of analytical research. Based on the growing

¹ ADB. 2014. *Midterm Review of Strategy 2020: Meeting the Challenges of a Transforming Asia and Pacific*. Manila; and ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

² A total of 16 complaints were received between June 2016 and July 2017 and 43 complaints between July 2017 and September 2018.

demand for support from ADB's operations departments and resident missions, the OSPF developed training modules on GRM and problem-solving tools, and designed a capacity development program targeting project implementers and other relevant stakeholders. In the first half of 2018, the program was piloted across six locations in Kazakhstan, the Kyrgyz Republic, Pakistan, and the Philippines. These pilot training and capacity development programs demonstrated a high level of interest and demand from stakeholders to strengthen grievance redress and problem-solving capabilities to improve project impact and sustainability, as well as reduce time delays, costs, and other repercussions of formal complaints.

III. THE TECHNICAL ASSISTANCE

A. Impact and Outcome

5. The TA is aligned with the following impact: improved project implementation performance, particularly implementation of social and environmental management measures and will have the following outcome strengthened capacity of DMCs to implement projects. This TA will strengthen the abilities of project implementation teams (borrowers, project implementation units, and consultants) to (i) institute preventive mechanisms for addressing grievances and improving accountability and (ii) identify and manage problems and complaints early in project implementation to avoid an escalation of issues that results in project delays and higher costs. This will be achieved through a structured training program on GRMs and problem-solving—developed by the OSPF in 2016 and piloted in 2018 (para. 4)—that will be rolled out at the country, subregional, regional, and sector levels.

6. The TA is important and timely because one of the priorities of Strategy 2030 is to increase innovative lending, particularly to address infrastructure deficiencies and urban development needs. The growth in private and public sector operations will result in larger and more complex investments with higher risks of adversely affecting vulnerable populations. Strategy 2030 also recognizes that ADB needs to be nimbler and faster in providing infrastructure and other lending. However, this may increase the risk of inadequate consultation and participation during project preparation and implementation, leading to an increase in complaints relating to social and environmental safeguards and other ADB policies.

7. The TA will support training and capacity development in cooperation with and based on the demand from ADB's operations departments, with a country and/or sector focus. In addition, OSPF will work with the independent accountability mechanisms network partners, primarily at other multilateral development banks, to improve efficiency and effectiveness of the training. It will also explore opportunities to better harmonize the problem-solving and dispute resolution processes of different multilateral development banks. This is particularly important given the increase in cofinancing for both public and private sector investments.

8. The TA will provide capacity development and training for country-level project implementation units, other project counterparts, and stakeholders engaged in project preparation and implementation. The support will be provided on a demand-driven basis from the operations department to OSPF through the committee for about 12 training sessions over two years. In addition, the TA will support training at the regional and subregional levels, possibly focused on particular sectors, to facilitate lesson sharing by individuals engaged in project planning and implementation. To support the training under the TA and to ensure sustainability and cost-effective extension, the TA will provide training of trainers (TOT) at the country level so that national counterparts working with ADB's country offices will be able to conduct the training regularly for project implementation units and others. The TA will also facilitate lesson sharing by

OSPF-retained facilitators who are engaged in ADB's Accountability Mechanism problem-solving process in several DMCs.

9. The TA will also strengthen analysis of the most effective measures and approaches to better understand good practice for grievance redress and problem-solving. This will include an analysis of project GRMs and related problem-solving experiences. Finally, the TA will improve the ADB guidelines for problem-solving.

10. The main output will be a cadre of project implementation counterparts trained to address and resolve project-related problems, issues, and complaints early through improved understanding of GRMs and problem-solving tools.

11. The main outcome will be improved sustainability of project investments and benefits as a result of better performance of critical elements of project implementation, particularly implementation of social and environmental management measures. The TA activities is expected to result in reduced risk of complaints from project-affected people being elevated to formal complaints to ADB's Accountability Mechanism and associated delays and costs.

B. Outputs, Methods, and Activities

12. **Output 1: Understanding of good practice for project-level grievance redress mechanisms and problem-solving improved as a result of analytical work.** The analytical work will be designed to generate high-quality and impactful knowledge products that will document GRM experiences and identify important lessons on problem-solving that are useful for future projects. Results of the research will be used to improve the case studies in the training materials and capacity development practice sessions, and also published as knowledge products for broader dissemination. In addition to the analytical work for eligible complaints under ADB's Accountability Mechanism, the TA will be guided by ADB's GRM working group in the selection of case studies.³

13. **Output 2: Cadre of mediation and facilitation experts developed in developing member countries.** At least eight practitioners, including facilitators working with the OSPF on current complaint problem-solving, will be trained through a TOT program. This will facilitate scaled-up, sustained, and high-quality GRMs and problem-solving training in DMCs.

14. **Output 3: Borrowers' capacity to design, implement, adapt, and monitor project grievance redress mechanisms and problem-solving functions improved.** Executing and implementing agencies, private sector clients, and other project-relevant stakeholders will receive GRM and problem-solving training and capacity development. The training modules will be continually strengthened based on the country and subregional training program experiences and lesson-sharing workshops. These will be supplemented by analytical work focused on the case studies of ADB project-level GRMs and problem-solving. All country-level training will focus on the priority sectors supported by ADB's sovereign, public-private partnership, and/or private sector operations in that country. Up to three subregional workshops will supplement the country-level programs when justified based on cost effectiveness or need for cross-country lesson sharing.

³ The Environment and Safeguards Division, SDCC, is conducting a study on "good practices and implementation experience in grievance redress mechanisms." A working group of safeguards specialists from ADB's operations departments has been established to assist in identifying the priority sectors and countries, finalizing the methodology, analyzing the results, recommending improvement measures, arriving at conclusions of the study, and sharing the results of the study across ADB.

15. **Output 4: Regional network of mediation and facilitation practitioners established.** The cadre of mediation and facilitation experts (output 2) will work with the OSPF and interested counterparts from other independent accountability mechanisms active in the region to establish a functional network of practitioners to share experiences and lessons from complaint handling.

C. Cost and Financing

16. The TA is estimated to cost \$750,000, which will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF 6). The key expenditure items are listed in Appendix 2. There will be no government counterpart support for this TA.

D. Implementation Arrangements

17. ADB will administer the TA. The OSPF will implement the TA in close coordination with SDCC, the Office of the Compliance Review Panel, and operations departments. Participating resident missions will support the TA activities, including assisting with planning and implementing training and capacity development programs.

18. The TA will be implemented over 2 years in two phases of 12 months each. In the first phase, from September 2018 through August 2019, TA activities will include analytical work, TOT, and provision of five training and capacity development programs. The second phase, from September 2019 through August 2020, will include provision of seven training and capacity development programs, convening of regional workshops, and initiation of the regional network of mediation and facilitation practitioners.

19. DMCs participating in the GRM and problem-solving training and capacity development program will be selected based on demand from operations departments and an assessment of relative needs by the SPF and director general, SDCC. A committee, chaired by the SPF and comprising representatives of each operations department and SDCC, will meet at the start of each phase to consider and agree on prioritization of DMCs and sectors to participate in the training and capacity development. The committee will also review and approve proposals for subregional workshops.

20. The implementation arrangements are summarized in the table.

Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	September 2018–August 2020		
Executing agency	ADB		
Consultants	To be selected and engaged by ADB		
	Individual international consultants	2 person-months, intermittent for lead trainer of training of trainers	\$46,000
	Individual international consultants	16 person-months international (in-country) facilitators for training of trainers and analytical work	\$220,800

Aspects	Arrangements		
	Individual national consultants	8 person-months coordinator, intermittent	\$36,800
	Resource persons	2 person-months, intermittent	\$30,000
Procurement	Includes the purchase of a portable printer and a projector, which will be used for all succeeding workshops. The purchase of these equipment will be more economical than renting the same for every workshop. All goods purchased will be turned over to ADB after completion of the TA. All procurement will be carried out in accordance with the ADB Procurement Policy (2017, as amended from time to time) and associated project administration instructions and/or staff instructions.		
Disbursement	The TA resources will be disbursed following ADB's <i>Technical Assistance Disbursement Handbook</i> (2010, as amended from time to time).		

ADB = Asian Development Bank, TA = technical assistance.

Source: Asian Development Bank.

20. **Consulting services.** ADB will engage consultants following the ADB Procurement Policy (2017, as amended from time to time) and its associated project administration instructions and/or staff instructions. A team of individual consultants will support implementation, three subregional peer lesson-sharing workshops, and one regional or international symposium on future directions for GRM and/or problem-solving (including interested international development finance partners and facilitators). The TA will finance international and local travel and accommodation of participants, including the consultants working for ADB-supported projects in participating DMCs, to join the capacity building programs under the TA. It will also cover the travel costs of ADB staff acting as resource persons. Consultants will be recruited through output-based or lump-sum contracts with a provision for fixed out-of-pocket expenditures for administrative and disbursement efficiency.

IV. THE PRESIDENT'S DECISION

21. The President, acting under the authority delegated by the Board, has approved the provision of technical assistance not exceeding the equivalent of \$750,000 on a grant basis for Capacity Building for Grievance Redress and Dispute Resolution During Project Implementation, and hereby reports this action to the Board.

DESIGN AND MONITORING FRAMEWORK

Impacts the TA is Aligned with Sustainability of project investments improved, particularly implementation of social and environmental management measures ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome Capacity of DMCs to implement projects effectively strengthened	Reduced risk reputational and improved accountability (2018 baseline: NA)	Post-learning evaluation and survey TA completion report	Lack of DMC and operational demand and support
Outputs 1. Understanding of good practice for project level GRM and problem-solving improved as a result of analytical work	By August 2020: Analysis of at least three GRMs and related problem-solving experiences (2018 baseline: 1)	TA progress report and case studies published with the participating countries	Lack of DMC and operational demand and support
2. Cadre of DMC mediation and facilitation experts developed	By August 2020, at least eight facilitators at country level trained through training of trainers (2018 baseline: 0)	Post-survey feedback, BTORs, and TA progress report	Lack of DMC and operational demand and support
3. Borrowers' capacity to design, implement, adapt, and monitor project GRMs and problem-solving functions improved	3a. By August 2020, at least 12 new training and capacity development programs for borrowers completed (2018 baseline: 9) 3b. By August 2020, complaints are well managed by the project implementation unit training recipients (2018 baseline: NA)	3a. Post-survey feedback, BTORs, and TA progress report 3b. TA completion report	Lack of DMC and operational demand and support
4. Regional network of mediation and facilitation practitioners and multilateral bank counterparts established	By end 2020, network is established with the counterpart international financial institutions (2018 baseline: NA)	BTORs and TA completion report	Lack of support from counterpart independent accountability mechanisms

<p>Key Activities with Milestones</p> <p>1. Understanding of good practice for project-level GRMs and problem solving improved as a result of analytical work</p> <p>1.1 Recruit a TA coordinator, based in Manila (September 2018), to help manage day-to-day activities.^b</p> <p>1.2 Recruit eight international (in-country) facilitators to support analytical case work of GRMs (November/December 2018).^c</p> <p>1.3 Design and finalize knowledge products based on feedback from the participating DMCs and operations departments and workshops (2018–2019).</p> <p>2. Cadre of DMC mediation and facilitation experts developed</p> <p>2.1 Conduct training of trainers program (November/December 2018) for the eight international (in-country) facilitators.</p> <p>3. Borrowers' capacity to design, implement, adapt, and monitor project GRMs and problem-solving functions improved</p> <p>3.1 Conduct at least five training sessions from November 2018 to August 2019 and seven training sessions from September 2019 to August 2020.</p> <p>3.2 Conduct three subregional workshops for cross country lessons sharing (need based) (September 2018–August 2020).</p> <p>4. Regional network of mediation and facilitation practitioners and multilateral development bank counterparts established</p> <p>4.1 Establishment of network (by August 2019).</p> <p>4.2. Conduct two regional workshops to share lessons and experiences from the complaints (by August 2020).</p> <p>TA Management Activities</p> <p>ADB's Office of the Special Project Facilitator will implement and manage the knowledge and support TA, with support from ADB's Sustainable Development and Climate Change Department, Office of the Compliance Review Panel, and operations departments.</p>
<p>Inputs</p> <p>ADB: \$750,000</p>
<p>Assumptions for Partner Financing</p> <p>Not applicable</p>

ADB = Asian Development Bank, BTOR = back-to-office report, DMC = developing member country, GRM = grievance redress mechanism, TA = technical assistance.

^a The TA activities are expected to result in a) improved capacity of project implementors in managing safeguards; b) reduced risk of complaints from project-affected people being elevated to formal complaints to ADB's Accountability Mechanism; and b) associated delays and costs

^b TA coordinator will be responsible for all the administrative and logistical support for all four outputs.

^c Once recruited, all international (in-country) facilitators will support the delivery of all the TA outputs.

Source: Asian Development Bank.

COST ESTIMATES AND FINANCING PLAN
(\$'000)

Item	Amount
Asian Development Bank^a	
1. Consultants	
a. Remuneration and per diem	
i. International consultants	296.8
ii. National consultant	36.8
b. International and local travel	60.0
2. Training and workshops ^b	
a. Venue rental and related facilities	191.3
b. Participants	90.1
3. Contingencies	75.0
Total	750.0

^a Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF 6).

^b This will pay for workshop venues, equipment rental, supplies, workshop materials, food during the workshops, representation expenses, miscellaneous administration and support costs, including translation, transport, accommodation, and per diem of workshop participants. The Asian Development Bank staff are also regarded as resource persons.

Source: Asian Development Bank estimates.

LIST OF LINKED DOCUMENTS

<http://www.adb.org/Documents/LinkedDocs/?id=52223-001-TARreport>

1. Terms of Reference for Consultants