THE THIRD REVIEW OF THE INDEPENDENT REVIEW MECHANISM (IRM) OF THE AFRICAN DEVELOPMENT BANK GROUP

CONCEPT NOTE

Compliance Review and Mediation Unit (BCRM)

January 2019
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### ACCRONYMS AND ABBREVIATIONS

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<td>AfDB</td>
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1. INTRODUCTION

The statutory Third Review of the Independent Review Mechanism (IRM) is due to start in 2019. This note covers the rationale of the Review with the scope, modalities, and the relevant budget for consideration by the Boards of Directors (the “Boards”) of the African Development Bank Group (AfDB).

The IRM is one of the accountability instruments of the Bank Group.\(^1\) It was established in 2004 to provide a recourse mechanism for persons who are adversely affected by any project (PAPs) financed by the AfDB. The PAPs can, on their own or through their representatives, submit a complaint if they have been or are likely to be adversely affected by any Bank Group-financed public - or private-sector project due to the Bank Group’s non-compliance with any of its policies and procedures. The Compliance Review and Mediation Unit (BCRM), or the “CRMU” as it is referred to in the IRM Establishing Resolution and Operating Rules and Procedures, administers the IRM.\(^2\)

The IRM started operating in mid-June 2006 based on the Boards’ Enabling Resolution of 30 June 2004 (B/BD/2004/9 – F/BD/2004/7). The Boards adopted the IRM Operating Rules and Procedures on 27 July 2006. The Enabling Resolution calls for periodic reviews of the IRM.\(^3\) The objective of such a review is to take stock of the experiences of the IRM and to examine how the scope and functions of the mechanism can be improved to enhance the independence, effectiveness, and relevance of the IRM. Moreover, the review is informed by the experiences and the best practices of counterparts of the IRM in the Independent Accountability Mechanisms (IAMs) of other International Financial Institutions (IFIs).

The performance of the IRM was reviewed in 2010 and 2015 and, as a result, both the IRM Enabling Resolution and the Operating Rules and Procedures were amended. The Third Review of the performance of the IRM is due in 2019.

2. OVERVIEW OF IRM REVIEWS

The IRM performance was reviewed twice: once in 2010 and the next one in 2015. As a result, the Boards of Directors approved the recommended amendments to both the IRM Enabling Resolution and the Operating Rules and Procedures. The following sections provide a background on these reviews and their key results.

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\(^1\) The Bank Group accountability system includes also the Office of the Ombudsman, the Administrative Tribunal, the Office of the Auditor General, the Integrity and Anti-Corruption Department, the Ethics Office, and the Independent Development Evaluation Department (BDEV).

\(^2\) In order to ensure the effectiveness and independence of the IRM from the Bank Management, the Director of BCRM reports functionally to the Boards and administratively to the President.

\(^3\) Paragraph 39 of the IRM Enabling Resolution of January 2015 states that, “The Boards of Directors shall review the experience of the IRM established in conformity with the provisions of Resolution B/BD/2004/9 – F/BD/2004/7 after three (3) years from the date of the effectiveness of the IRM, which date shall be that of the appointment of the Director. Thereafter, the Boards shall review the IRM every four (4) years, or as otherwise decided by the Boards.”

In accordance with Paragraph 33 of the IRM Enabling Resolution of 30 June 2004, the First Review of the performance of the IRM was undertaken in 2009, three (3) years from the date that the IRM became effective, following the appointment of the first Director of the Compliance Review and Mediation Unit (BCRM). The objective of this review was to provide the Boards of Directors with an analysis of the experiences gained by the IRM and the lessons learned from the activities of the IRM after three years of operations. In addition, the review was a proposal for the amendment of the IRM Operating Rules and Procedures, if found necessary.

It is noteworthy that apart from setting up the IRM, the first three years were a steep learning curve for the Bank in interacting with the IRM as a new accountability instrument. Within those three years, BCRM received four requests. The complainants were filed by different groups that included the PAPs, their representatives, or national and international civil society organizations (CSOs). One of these requests was handled through a compliance review.\(^4\) Another request went through the preliminary steps of a compliance review,\(^5\) while the remaining two were registered for problem-solving exercises.\(^6\) In spite of the fact that the IRM was still in its infancy, it had started to deliver on its core functions. Therefore, the First Review of its experiences was opportune for understanding the challenges it was facing at the time. The main aim of the First Review was not to fundamentally change the functions of the IRM since its Rules were yet to be tested. Nevertheless, this review culminated in the amendments of the IRM Establishing Resolution and the Operating Rules and Procedures of 2006 that enhanced the independence and people’s accessibility to the mechanism.

The First Review of the IRM in 2009 resulted in the following:

(i) \textit{The amendment of the role of the Director of the Compliance Review and Mediation Unit:} It was decided that the Director would no longer be part of the compliance review panel, which was assigned exclusively to the IRM Experts to strengthen the independence of the IRM;

(ii) \textit{The modification of the IRM Rules on the admissibility of requests:} Consequently, the Requestors were given the right to use any means at their disposal to file a complaint with the IRM;

(iii) \textit{The strengthening of the outreach function in the IRM Rules:} The IRM outreach function of the Compliance Review and Mediation Unit (BCRM) was strengthened to enhance the visibility of the IRM and make it easier to access; and

(iv) \textit{The revision of the IRM Rules:} The revision required the Bank Management to prepare

\(\text{\footnotesize{\(^4\) The Request relating to the Bujagali Hydropower and Interconnection Projects in Uganda.}}\)
\(\text{\footnotesize{\(^5\) The Request relating to the Gibe III Hydroelectric Power Project in Ethiopia.}}\)
\(\text{\footnotesize{\(^6\) The Second Request relating to the Gibe III Hydroelectric Power Project in Ethiopia and the Request relating to the Nuweiba Combined Cycle Power Project in Egypt.}}\)
a response and action plan in light of IRM compliance review reports and to present jointly these documents with CRMU/IRM Experts to the Boards. This change was mainly to enhance the effectiveness of the IRM.


2.2. The Second IRM Review - 2014/2015

Paragraph 32 of the amended IRM Establishing Resolution (B/BD/2010/10- F/BD/2010/04) of 16 June 2010 called for the Boards to review the experience of the IRM every four (4) years, as of the date of the last review of the mechanism in 2009/2010. In keeping with this provision of the Resolution, the Second Review of the IRM commenced in December 2013. The Boards of Directors approved the resulting amendments to the IRM Establishing Resolution and Operating Rules and Procedures on 28 January 2015.

The aim of the Second Review was to conduct a deeper assessment of the experience of the IRM to determine its effectiveness as a recourse instrument for PAPs affected by Bank Group-financed projects and as a useful accountability instrument for the Bank. By June 2014, the IRM had received seventeen (17) requests, out of which nine (9) were registered by the Director of the BCRM while eight (8) were not registered for various reasons—the main one was that these complaints fell outside the mandate of the IRM. The review identified areas for improvement of the roles and functions of the IRM and the BCRM with essential modifications of the IRM Operating Rules and Procedures. The ultimate goal was to make the IRM an effective instrument in supporting the Boards’ oversight responsibilities and enhance learning within the Bank through the IRM’s compliance review activities. It was also meant to align the IRM with the institutional priorities underlined in the Bank’s Ten-Year Strategy (2013-2022). In particular, the Second Review took place immediately after the Board of Directors’ adoption of the AfDB’s Integrated Safeguards System (ISS) on 17 December 2013. In this context, it was necessary to harmonize the ISS with the IRM mandate and functions. Accordingly, the amendment of the IRM Establishing Resolution and the Operating Rules and Procedures took into account the mandate of the IRM to assess complaints relating to human rights violations, namely social and economic rights as a result of any action or omission on the part of the Bank Group.

The second review of the IRM in 2014 resulted in the following changes:

(i) **Access to IRM by people affected by Bank Group-financed projects was further simplified:**
First, the IRM Rules governing the registration of requests were modified so that the complainants are no longer required to provide proof on complex technical issues such as causal relationship between the harm they have suffered or likely to suffer and the Bank’s non-compliance with its policies. Moreover, the complainants are persuaded—but not required—to resolve their complaints with the Bank Management before filing the complaint with the BCRM, which was a prior condition for the registration of a request under the
previous IRM Rules of 2010;

(ii) Requestors can express their preference and have a say on how their request should be processed: As a result of the Second Review, the complainants can choose whether they want their request to be processed through a problem-solving exercise, a compliance review, or both at the time of submitting the request;

(iii) Expansion of the scope of the IRM to examine private-sector operations: The IRM was mandated to handle complaints alleging breach of any Bank Group policies applicable to private-sector operations. Earlier, the IRM was limited to handling complaints on private-sector operations alleging breach of Bank Group’s policies on agriculture, education, health, gender, good governance, or the environment. As a result of the Second Review, the IRM can now investigate all types of private-sector operations;

(iv) The Statute of limitation for projects was expanded: Complaints can be filed with the BCRM within 24 months—instead of 12 months—after the physical completion of the project concerned, after the final disbursement of the loan/grant agreement, or after the date of cancellation of the disbursement amount;

(v) CRMU/IRM’s interaction with the Boards was enhanced: Firstly, the IRM work programs and highly contentious reports are now discussed first with the Boards’ Committee on Operations and Development Effectiveness (CODE) before the formal submission to the Boards. Secondly, all IRM documents should now be submitted to the Boards of Directors for consideration, and not for information, as was the case before the January 2015 amendments;

(vi) The functions of the IRM were augmented to include an Advisory Role: Before January 2015, the main functions of the IRM were compliance reviews, problem-solving exercises, and outreach activities. The Second IRM Review permitted the mechanism to have additional advisory and knowledge management functions to contribute to institutional learning processes. The advisory function is divided into two: (a) Advisory Services offered by the BCRM in the forms of Notes and technical opinions; and (b) Spot-check advisory review of project compliance undertaken by the IRM Experts; and

(vii) The terms of service of the Director of the BCRM and the IRM Experts were changed: The terms of service were adapted to increase transparency and avoid conflicts of interest. First, the Director of the BCRM is selected by a panel composed of a Board member, a representative of the Bank Management, and an independent external advisor. The Director of the BCRM shall not work for the Bank Group in any capacity whatsoever after the expiry of his/her term. Secondly, an aspiring IRM Expert must not have worked for the Bank Group in any capacity whatsoever by the time of his/her appointment and will not work in any capacity with the Bank Group after the expiry of his/her term. Any person who has worked for the Bank Group in any capacity is not allowed to serve on the Roster of Experts of the IRM.
3. THE SCOPE OF THE THIRD IRM REVIEW IN 2019

The Resolution establishing the Independent Review Mechanism of 28 January 2015 (B/BD/2015/03-F/BD/2015/02; "IRM Resolution, as amended") requires the Boards to conduct a statutory periodic review of the IRM every four (4) years. In keeping with this provision of this amended Resolution, the Third Review of the IRM performance and experience will be conducted in 2019.

The objective of the Review is to undertake a thorough assessment of the extent to which the IRM has been an effective recourse mechanism for people affected by projects financed by the AfDB and a useful accountability instrument to the Bank. The review will look at not just procedural issues/improvements, but also areas where the quality of IRM results can be enhanced in the best possible manner. The review exercise will also consider the effectiveness of the BCRM in administering the IRM. The ultimate aim is to have in place an IRM that can effectively handle the complaints from people affected by Bank Group-financed projects, and can also contribute to the Bank’s learning culture in a meaningful way. Therefore, the IRM can contribute to the objectives of AfDB’s Ten-Year Strategy (2013-2022) and the High 5 particularly the accountability of Bank financed operations, thereby reinforcing the effectiveness of development actions and outcomes.

The Third Review is timely in many ways. The IRM celebrated its 10-year anniversary in 2017. Throughout the years, the IRM has seen a steady increase in the volume of its work, including the handling of both project-related complaints as well as institutional issues. The projects subjected to compliance reviews and problem-solving exercises have comprised both sovereign and non-sovereign operations. One of the key observations that CODE has flagged repeatedly to the IRM is the need to address the protraction of case-handling and the longevity of some of the investigations.

At the institutional level, major changes have been rolled out as a result of the new Development and Business Delivery Model (DBDM). The reforms have led to significant readjustments of the operations of the Bank. The new business environment poses challenges as well as opportunities for the IRM that need to be identified and mitigated, as appropriate. For example, it will be beneficial to know what are the processes and changes that could impact the work of the IRM, such as the new Delegation of Authority Matrix, the decentralization of operations to bring the Bank closer to the clients, and the separation of a project’s origination from implementation. Equally important is to establish how the IRM work can be aligned with these institutional priorities and developments.

Through its commitment to promoting an environmentally sustainable development that—beyond protecting the integrity of people's living conditions—can generate real benefits for host

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7 IRM Resolution, as amended, 2015, para. 39.
8 High 5 priorities: (i) Light Up and Power Africa; (ii) Feed Africa; (iii) Integrate Africa; (iv) Industrialize Africa; and (v) Improve the Quality of life for the People of Africa.
communities, the Bank adopted its ISS in 2013. The Bank developed this safeguards policy to promote growth that is socially inclusive and environmentally sustainable. Safeguards are a powerful tool for identifying risks, reducing development costs, and improving project sustainability, thus benefiting affected communities and helping to preserve the environment. As part of the implementation of the five priority development agendas for Africa (High 5), the Bank is operationalizing the proper application of the ISS to ensure effectiveness and sustainability outcomes for AfDB-financed operations. To realize this commitment, the President has established a full department that will focus on environmental and social safeguards issues. A strong and robust safeguards system has major implications for the IRM because the two go hand-in-hand in order to achieve the sustainable development objectives of the Bank Group.

This year, the AfDB has initiated the statutory evaluation of the ISS. It is therefore important and most appropriate that the IRM review and the evaluation of the ISS processes feed into each other.

Another important aspect that the Third Review will consider is how to strengthen the interaction between the IRM and the CSOs. The partnership with CSOs is crucial for the IRM. There must be good space for CSOs to influence the IRM and make it transparent and accountable. Many AfDB-funded projects are in rural areas where people have limited access to information concerning Bank projects and policies, including the existence and the mandate of the IRM. In addition, access to computers and internet services tend to be rare and limited. In some countries, PAPs may also fail to submit their complaints to the BCRM for fear of retaliation from the government or the project promoter. Other challenges for the PAPs include language barriers, social and cultural structures that may affect how and when information reaches the affected people, and how the PAPs themselves access and understand the services of the IRM.

In this context, CSOs are valuable intermediaries between the PAPs and the IRM in many respects outlined in the IRM Rules. CSOs’ perspectives are indispensable in helping to enhance the work of the IRM and they can disseminate information to the local communities where the Bank is financing a project. They can submit complaints to the BCRM on behalf of the PAPs if the latter cannot access the Bank or solve their problems with the Bank’s project teams. CSOs can, in their own right, submit complaints to the BCRM. Also in the past, CSO have been parties to BCRM problem-solving and mediation activities.

To be effective, CSOs must be able to enhance their knowledge and understanding of accountability issues in order to help safeguard the effectiveness of projects funded by the AfDB through dialogue between themselves and with the BCRM.

In view of the above challenges, the review will solicit the opinion and comments of CSOs on how to make the IRM a more effective accountability tool. In particular, their views will be welcome concerning among others information dissemination, outreach and support to the PAPs,

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9 High 5 priorities: (i) Light Up and Power Africa; (ii) Feed Africa; (iii) Integrate Africa; (iv) Industrialize Africa; and (v) Improve the Quality of Life for the People of Africa.
effective implementation of the IRM Rules.

The advisory function was decided upon by the Boards of Directors of the Bank Group in 2015. While Resolution B/BD/2004/9–F/BD/2004/7 of 2004 and Resolution B/BD/2010/10–F/BD/2010/04 of 2010 mandated the IRM to perform compliance reviews and problem-solving functions, Resolution B/BD/2015/03–F/BD/2015/02 expanded this core mandate to include an advisory role for the Bank Group on compliance review and problem-solving matters. The advisory function was seen as a welcome development in view of the opportunity it offers the IRM to enhance institutional learning and promote a culture of compliance in the Bank. Advisory reviews of project compliance, also called spot-check reviews were undertaken in 2016, 2017 and 2018. The selection of the projects for 2019 is underway. The experience so far points to a process that is strengthening learning, especially concerning Non-Sovereign Operations and private sector investments that have been assessed. The review will explore how the advisory function can better achieved its objectives.

The objective of enhancing accountability is a key feature of the Bank’s Ten-Year Strategy (2013-2022). Specifically, the advisory function depends on the nature of the request, but typically includes the following:

(i) Bringing about systemic improvements in the implementation of environmental and social policies, procedures, strategies, and/or guidelines of the Bank Group by addressing deficiencies in the systems, policies, procedures, strategies, and guidelines;

(ii) Improving the social and environmental impacts of projects funded by the Bank Group by advising the Bank Management on emerging, strategic, or systemic issues or processes based on lessons learned and trends identified by the BCRM;

(iii) Helping the Bank Group to advise the borrowers on their environmental and/or social obligations contained in the Bank Group’s policies and procedures related to the implementation of Bank Group-financed projects and to safeguard development impacts; and

(iv) Providing information and recommendations on emerging trends arising from the experiences of the BCRM.

Currently, the advisory function is authorized when the President and/or the Boards are of the opinion that the projects, programs, policies, and procedures of the Bank Group can benefit from the accumulated experiences of the IRM. In addition, the function can support efforts of the staff and Bank Management to strengthen the social and environmental outcomes of high-risk projects funded by the Bank Group. The advisory function is carried out to provide independent opinions on systemic issues, and technical advice on projects and programs of the Bank Group. The main steps of the advisory function are to gather information from selected high-risk projects and draw lessons from the experiences of the IRM for the purpose of advising Bank Management on compliance issues associated with these projects (i.e. spot-check advisory reviews of project compliance) and those related to projects handled through problem-solving exercises (i.e. advisory
services). The role allows the IRM to provide the Bank Management with technical information on the performance of the projects and, ultimately, enhance services to client countries and extend benefits of the projects to people or other beneficiary stakeholders without compromising the independence of the IRM.

In adopting the 2015 Resolution, the Boards stressed the need to clarify the scope of the advisory function and clearly outline the procedures—especially for the new spot-check advisory reviews of project compliance. Some Board members stressed specifically the need to properly regulate the procedures for the new spot-check compliance review by the IRM to avoid any conflict of interest from the IRM Experts. Consequently, the IRM developed and submitted to the Board, for information, the Guidelines detailing the operational procedure for the spot-check compliance review. These Guidelines include the modalities for conducting the spot-check advisory reviews of project compliance and the scope of the advisory service.

The efficiency of the complaint handling process is another important aspect to be through roughly assessed by the third review. In this regards, there are concerns over instances when timelines have not been met by the IRM, delays have been observed due to the IRM being not proactive enough, Management responses not submitted on time and cases procrastinated over long periods. The root causes of these inefficiencies will be established and appropriate remedial actions proposed.

Further, there are views emphasizing that compliance review should be the core mandate of IRM. Mediation and problem-solving are seen as useful functions but these often add to long and tedious processes with the risk of Board attention being drawn to micro-management and away from its oversight role; namely holding management and implementing parties accountable for complying with the environmental and social safeguards of the Bank. Hence, the question, which arises, is whether the organizational setup of BCRM and IRM is (still) fit for purpose.

In some instances, people who speak out against development projects can face serious reprisals from those who do not want to hear critical comments. Hence, it is important that all MDBs continue to take steps to find ways to improve the protection of individuals or communities who bring cases to the independent accountability mechanism. The Bank has a whistle-blowing policy, which provides for protection against retaliation. It would be useful to know how the Bank works to protect people who bring cases to the IRM. The review will assess what efforts the AfDB is making in this regard and how this can be bolstered in this review.

Among the infringements to Bank policies, the Involuntary Resettlement Policy has been repeatedly pointed out in the IRM Compliance Review Reports to the Board of Directors. Resettlement and compensation have become therefore systemic issues that have a huge potential to damage the reputation of the Bank. The problem arises, not because there is any ambiguity in the Loan Agreements, but rather, it may be linked to the current practice, which puts the burden on the borrower to cover the cost. Therefore, a careful look at the current practice of settling resettlement and compensation should be an important topic to be addressed by the review. Options should be explored, including the experiences of other MDBs and the financing of the cost of compensation and resettlement as part of Bank financing.
Outreach and communication is essential to make the IRM know, especially by those people affected by AfDB investments who need their voice heard by the Bank. The BCRM has organized a variety of outreach and communication activities, including national and regional information sharing events on the IRM among all stakeholders. Despite these efforts, more of these activities are still required for the IRM to be fully a tool that will enable the Bank to respond to the concerns of the PAPs. The review will look into what can be done to improve on the outreach efforts.

In light of the above, the Third Review will take stock of the complaints handled, the advisory function, as well as the other activities undertaken by the IRM; draw lessons emerging from these processes; and propose specific recommendations that will help improve the IRM’s operations. The stock-taking process will assess how successfully the IRM has met its goals to serve as a means of responding to the requestors and to helping the Bank Group enhance the credibility and sustainability outcomes of its financed operations that are essential in promoting greater development effectiveness in the Regional Member Countries (RMCs). It will examine how the IRM can become an effective tool that support the Boards’ accountability oversight function.

The Third Review will cover the assessment of the following issues:

(i) The achievements and challenges faced by the IRM in handling complaints either through compliance reviews or problem-solving exercises, to capitalize on its strengths, and to remove statutory and operational barriers. Several specific questions are to be looked into, including:

✔ Does the IRM adhere to the IRM policy?

✔ How effective is the IRM in processing complaints either through compliance review of through dispute resolution? Are complaints handled within the timelines stated in the policy? How can the efficiency of the IRM with regard to the “protraction of case-handling and the longevity of some of the investigations” be enhanced?

✔ How effectively are non-compliances stated in the IRM investigation reports addressed by the Bank?

✔ Whether the IRM should only focus on compliance or continue to with its existing complaint handling functions problem solving and compliance review?

✔ What is the evidence that systemic recommendations listed in the compliance investigation reports, to assure that non-compliances will not reoccur, are being addressed by the Bank?

✔ How effectively and how regularly does the IRM use its monitoring mandate?

✔ Has the advisory mandate of the IRM been carried out in line with the Board Resolution? How have recommendations resulting, e.g from spot checks, been integrated into Bank Procedures? I have added this one which was highlighted in yellow as missing

✔ What could be done to improve learning? How effective does the IRM interact with management while safeguarding its independence?
What is the status of satisfaction of stakeholders in the process?

(ii) The appropriateness of the governance structure of the IRM and the implications of institutional developments, particularly in the context of the implementation of the recent DBDM, including:

- Can the reporting of the IRM to the Boards be further strengthened? Can the IRM reporting lines to BCRM and the Boards be clarified? How can there be greater/better involvement of CODE to guide the work of the IRM?
- How effective does the IRM interact with Management while safeguarding its independence? How could the interaction with Management be further strengthened?
- To what extent is the budget allocated to IRM appropriate to the efficient and effective functioning of BCRM/IRM?
- How effective is the IRM in attracting professionally qualified experts? Are expert positions filled on a timely basis?
- How does IRM stand out in practice from the work of the Ombudsman, the Administrative Tribunal, Auditor-General, Ethics, Independent Development Evaluation (BDEV) and the Integrity and Anti-Corruption Department? Does overlap occur? If yes, how should this be dealt with?
- How does the IRM compare to other comparable Independent Accountability Mechanisms (IAMs)? What are best practices which should be introduced from practices established in other IAMs?

(iii) The effectiveness of IRM operations and barriers to operational effectiveness with particular focus on IRM Rules clause on protection of identities of complainants from retaliation including procedures for BCRM to follow to protect the identities of complainants as well as steps to be followed by BCRM and PIAC for the complainants to benefit from the Bank protection of whistle blowers.

(iv) The extent of IRM’s independence, autonomy, and integrity vis-à-vis its interaction with the Bank Management;

(v) The overall role and implications for the IRM in the context of promoting the objectives of the Bank’s Ten-Year Strategy (2013-2022), the High 5, the DBDM, and the decentralized operations of the Bank Group;

(vi) The contribution of the IRM in the implementation of the Bank Group’s policies and procedures, especially the ISS, its related Environmental and Social Assessment Procedures (ESAP), and the Guiding Notes—particularly as they apply to non-sovereign operations and private-sector investments; and

(vii) The contribution of the IRM as a strengthening tool to the Bank’s CSO engagement strategy as well as improvement of the role of CSOs in the IRM process.

The review may lead to the revision of the IRM Enabling Resolution and its Operating Rules and Procedures to remove any ambiguities and, if necessary, fine-tune the structure and roles of the
4. PLANNING AND MODALITIES FOR UNDERTAKING THE THIRD IRM REVIEW

The Bank and the successful consultancy firm selected will discuss and agree on the work program and timeframe of delivering the key outputs of the assignment. The timeframe will be within the stipulated eighty (80) working days with a possibility of an extension for ten (10) working days.

The review process will start once the Board approves this Concept Note with the proposed budget and the Consultant’s TOR included in Annex 2 of this document. Subsequently, the Director of BCRM will launch the main activities of this review, which is proposed to start from February 2019 and culminate with the Boards’ consideration of the recommendations of the review by December 2019/January 2020.

5. THE THIRD IRM REVIEW CONSULTANT

For the purposes of conducting the Third Review, the Bank will recruit a highly qualified independent Consultant through an international bidding process. The Board Committee on Operations and Development Effectiveness (CODE) will oversee the work of the Consultant, including being part of the selection process. Provisions are made for the Consultant to consult extensively with CODE. CODE will also review the first and final drafts of the document prepared by the Consultant. Given the scale/diversity and complexity of the assignment, consideration will be given to hiring a team of consultants, within the limit of the proposed budget. While the TOR for the Consultant are detailed in Annex 2, the key tasks of the Consultant can be summarized as follows:

(a) The Consultant will start by conducting a thorough desk review, followed by field visits. She/he will have a series of consultations with the PAPs, the BCRM, other Bank staff, government officials in RMCs, and other stakeholders in selected projects that have been subject to compliance reviews and problem-solving exercises. The Consultant will also seek the views of the Board members through CODE, the Bank’s Senior Management, the Director and staff of the BCRM, and IRM Experts; and prepare an initial Draft Report outlining the key recommendations of the Review. The Boards and the Bank Management will be updated on the progress and content of these recommendations. The Consultant’s Revised Draft Report will then be posted on the Bank’s website for public consultation, particularly to give an opportunity to CSOs and other stakeholders and players—such as IAMs—to provide their comments. The duration of these public consultations will be 45 days. After incorporating comments received, the Consultant will prepare a revised draft report which will be posted again on the Bank website for another public consultations period which will not exceed 45 days; and

(b) The Consultant will update the Revised Draft Report in light of the input received from the
Boards, the Bank Management, the BCRM, the IRM Experts, and public consultations. The updated draft will be circulated for formal consultations with the General Counsel and Legal Services Department (PGCL). Subsequently, the Draft Final Report will be discussed by the CODE. The Final IRM Review Report and associated documents will be submitted to the Boards of Directors for consideration. If necessary, the timeframe will be extended to integrate further recommendations by the Boards.

The Boards will be engaged regularly throughout the Review process through formal and informal consultations and briefings. The Bank Management will also be consulted and given updates.