

Grievance Management

Guidance Note

1 EBRD'S REQUIREMENTS

1.1 PR 10 – INFORMATION DISCLOSURE AND STAKEHOLDER ENGAGEMENT

Key Bank requirements relating to grievance management are contained in PR 10:

24. *The client will need to be aware of and respond to stakeholders' concerns related to the project in a timely manner. For this purpose, the client will establish a grievance mechanism, process, or procedure to receive and facilitate resolution of stakeholders' concerns and grievances about the client's environmental and social performance. The grievance mechanism should be scaled to the risks and potential adverse impacts of the project.*

25. *The grievance mechanism, process, or procedure should address concerns promptly and effectively, using an understandable and transparent process that is culturally appropriate and readily accessible to all segments of the affected communities, at no cost and without retribution. The mechanism, process or procedure must not impede access to judicial or administrative remedies. For projects to which PR 5 or PR 7 applies, the client will ensure that there is an independent, objective appeal mechanism. The client will inform the affected communities about the grievance process in the course of its community engagement activities, and report regularly to the public on its implementation, protecting the privacy of individuals.*

26. *Grievance mechanisms for workers will be separate from public grievance mechanisms and must be in accordance with PR 2.*

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1.2 PR 2 – LABOUR AND WORKING CONDITIONS

PR2 contains the following requirements in respect of management of workers' grievances:

Grievance mechanism

18. *The client will provide a grievance mechanism for workers (and their organisations, where they exist) to raise reasonable workplace concerns. The client will inform the workers of the grievance mechanism at the time of hiring, and make it easily accessible to them. The mechanism should involve an appropriate level of management and address concerns promptly, using an understandable and transparent process that provides feedback to those concerned, without any retribution. The mechanism should not impede access to other judicial or administrative remedies that might be available under law or through existing arbitration procedures, or substitute for grievance mechanisms provided through collective agreements.*

According to paragraph 19 of PR 2, this requirement also applies to “Non-Employee Workers” (for example, “engaged by the Client through contractors or other intermediaries to work on project sites or perform work directly related to the core functions of the Project”).

1.3 PR 5 – LAND ACQUISITION, INVOLUNTARY RESETTLEMENT AND ECONOMIC DISPLACEMENT

PR 5 establishes specific requirements in relation to grievance management:

Grievance Mechanism

13. The grievance mechanism to be established by the client in accordance with PR 10 will be set up as early as possible in the process, consistent with this PR, to receive and address in a timely fashion specific concerns about compensation and relocation that are raised by displaced persons and/or members of host communities, including a recourse mechanism designed to resolve disputes in an impartial manner. A summary of complaints and the measures taken to resolve them shall be made public on a regular basis, in accordance with PR 10.

1.4 PR 7 – INDIGENOUS PEOPLES

Similarly, PR 7 includes some specific provisions as follows:

Grievance Mechanism and Prevention of Ethnically Based Discrimination

26. The client will ensure that the grievance mechanism established for the project, as described in PR 10 is culturally appropriate and accessible for Indigenous Peoples; this may entail less reliance on written procedures and more use of verbal reporting channels.

1.5 PR 9 – FINANCIAL INTERMEDIARIES

PR 9 includes the following requirement:

Stakeholder Engagement

23. The FI will put in place a system for dealing with external communication on environmental and social matters, for example a point of contact for dealing with public enquiries and concerns related to environmental and social matters. The FI will respond to such enquiries and concerns in a timely manner.

1.6 SUMMARY: SCOPE OF APPLICATION OF THE GRIEVANCE MANAGEMENT REQUIREMENTS

While “the grievance mechanism should be scaled to the risks and potential adverse impacts of the project”, the above grievance management requirements in PR 10, PR 5 and PR 7 apply to all direct investments but do not apply to FIs.²

1. Except for FI sub-projects that fall under the conditions of PR 9 Para.16

2. Subject to PR 57 being triggered

3. Subject to PR 7 being triggered

PR	Direct Investments	Financial Intermediaries ¹
10	<input checked="" type="checkbox"/>	
2	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
5 ²	<input checked="" type="checkbox"/>	
7 ³	<input checked="" type="checkbox"/>	
9		<input checked="" type="checkbox"/>
This Guidance Note	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

2 WHY A SPECIFIC GRIEVANCE MECHANISM

Finding appropriate ways to handle grievances and complaints is part of good management. In any organisation it is important to address complaints effectively and in a timely manner so as to ensure good relationships with all stakeholders as well as the effective functioning of the organisation. In a project context, managing grievances, including avoiding and minimising them, is an integral part of a sound stakeholder engagement strategy which is essential for successfully carrying out a project. Experience shows that as significant numbers of grievances arise from misunderstandings, such grievances can be avoided, or their numbers minimised, through consistent engagement with both workers and communities. Engagement also helps to prevent communities' or workers' **concerns** from escalating into **grievances**.

A typical question raised about the need for a specific grievance mechanism is: “Why do we need a specific grievance mechanism as long as we are operating in a country governed by rule of law and where people can resort to existing administrative or judicial redress mechanisms?” Possible responses are as follows:

- Existing administrative or judicial redress mechanisms are often overwhelmed and slow, and may entail upfront expenses that are beyond the reach of ordinary people.
- A specific project grievance mechanism effectively reduces client exposure to litigation – and related risks and costs.

- Having a responsive and relatively flexible grievance mechanism helps to address community and individual concerns and complaints before they escalate beyond control.
- Being seen to be ready to respond to concerns and grievances enhances the reputation of a company and helps acquire and sustain the “social licence to operate”.

The Environment and Sustainability Department (ESD) of the Bank and particularly social specialists can provide detailed guidance to clients on grievance management.

3 KEY PRINCIPLES

All projects should establish a formalised procedure or process for dealing with both workers’ and communities’ grievances. Each should include as a minimum:

- assigning a responsible person, team or function to organise the resolution of grievances
- defined timeframes for acknowledgement of the receipt of complaints and subsequent resolution
- practical arrangements for maintaining confidentiality, reviewing and resolving grievances, including resources and organisational arrangements
- information on the grievance mechanism that is readily retrievable from a company web site, locations where project information in hard copy has been placed, and/or from company representatives.

Grievance mechanisms should be appropriate for the scope of the project so as to allow effective resolution of issues in a timely manner.

As stated in PR 10 paragraph 26, “Grievance mechanisms for workers will be separate from public grievance mechanisms and must be in accordance with PR 2”. However, several key management principles apply to both communities’ and workers’ grievances.

This section describes common requirements and principles relevant to both workers’ and communities’ grievance mechanisms for all projects. Section 4, in turn, addresses specifics applicable to communities’ grievance management systems, or applicable only

to certain types of projects. Additional guidance on workers’ grievance mechanisms can be found in the PR 2 labour toolkit.

3.1 GRIEVANCE ADMINISTRATION

Grievances should be registered and logged regardless of whether they were received in writing or verbally. The complainant should receive an acknowledgement of the receipt of the complaint within a prescribed and reasonable timeframe, preferably in writing. Lodging a grievance should not incur any cost to the complainant. Generally, the client should allow for flexibility and make sure that grievances are not dismissed on grounds of an administrative formality and/or procedure.

A simple database is often useful to manage and monitor grievances. Good practice is to log all grievances, even recurrent ones or grievances that will eventually be dismissed as unreasonable. Regardless of the actual establishment of such a database, typically documentation on grievances keeps track of:

- the name and contact details of the complainant, if appropriate
- the date and nature of the complaint
- the name of the technical staff charged with addressing the complaint, if appropriate
- any follow up actions taken
- the proposed resolution of the complaint
- how and when relevant Project decisions were communicated to the complainant
- whether longer-term management actions have been taken to avoid the recurrence of similar grievances in the future, if applicable.

A sample grievance form and database are provided in Appendices 1 and 2.

The following indicative timeframe can be used as a guideline for most projects, both for workers’ and communities’ grievances:

- written acknowledgement of receipt of the grievance: within 7 days of receiving the grievance
- proposed resolution: within 30 days of receiving the grievance.

Whether the project follows the recommendations above, or not, the client is still required to communicate to the complainant their clear commitments with respect to the expected time period within which grievances shall be acknowledged, processed and resolved. These should be reflected in the Stakeholder Engagement Plan (or PCDP) and/or in the ESAP.

Complaints should be reviewed as soon as they are received and prioritised for resolution. Regardless of general response and resolution timeframes, some complaints may require immediate attention, for example, an urgent safety issue or where it concerns the livelihood of vulnerable people in jeopardy. However, based on experience, many complaints deal with rather minor construction or disruption issues that can be addressed and fixed promptly.

3.2 DOCUMENTATION AND REPORTING

Client procedures for grievance management should be reflected in the Stakeholder Engagement Plan, including:

- timeframes for acknowledgement of receipt and resolution
- practical arrangements for maintaining confidentiality, reviewing and resolving grievances, including resources and organisational arrangements
- independent second-tier mechanism, if applicable, with identification of objectives and functions as well as external parties involved.

Periodic project monitoring reports should include the following indicators:

- number of grievances during the reporting period
 - » opened
 - » resolved
 - » closed
- categorisation of grievances (as relevant to the project – for example, noise/compensation/smell/safety)
- trend in time (for example, number or category of complaints compared with previous reporting periods)

- keeping a profile of those who lodge a grievance could prove useful in terms of knowing who and where is most affected by potentially negative impacts of the project. Data such as gender, age and location could be gathered. However, it is paramount that those who wish to register a grievance can remain anonymous and should feel free to give as little personal information as they wish.

3.3 WHEN TO ESTABLISH THE PROJECT GRIEVANCE MECHANISM

In the case of large new developments with potentially complex issues, a community grievance mechanism should be established from the beginning of the ESIA process and be in place during construction, operations and decommissioning, and possibly for a given period post-closure for projects with significant impacts. For projects entailing land acquisition, it is of critical importance that the grievance mechanism should be in place during the census of affected properties, as this particular phase is likely to give rise to numerous concerns and grievances. As far as a workers' grievance mechanism is concerned, it must be established at the earliest possible time and at a minimum should be in place by the time a significant number of the workforce (more than 50 people) is gathered at project sites.

For existing facilities, the grievance mechanism should be in place by the time of effectiveness of the EBRD's financing.

3.4 RESPONSIBILITIES

The responsibility for the management and resolution of grievances rests with the Bank's client. This also applies to situations where third parties, notably contractors, are involved.

Where a grievance is passed to a third party for resolution, it is important to recognise that the ultimate responsibility for grievance resolution lies with the client, including such cases where the third party fails to reach an acceptable resolution. For example, with respect to a community grievance related to noise or vibrations generated by contractor traffic within a residential area, the client would usually delegate resolution to their contractor. However, should the contractor's attempts fail to reach an acceptable settlement, the Bank requires that the client take responsibility for the eventual grievance resolution.

For large or complex projects, it is advisable that contracts between the client and its EPC or other contractors specifically address grievance management, resolution and respective responsibilities.

3.5 WHAT IS A “CLOSED” GRIEVANCE

Typically, a grievance is “closed” when a resolution satisfactory to both parties has been reached. In certain situations, however, the client may “close” a grievance even if the complainant is not satisfied with the outcome. This could be the case, for example, if the complainant is unable to substantiate a grievance, or if there is an obvious speculative or fraudulent attempt. In such situations, the client’s efforts to investigate the complaint and to arrive at a conclusion should be well documented and the complainant advised of the situation.

Clients (or contractors working for clients) should not dismiss grievances based on a cursory review and close them in their grievance record unless the complainant has been notified and had the opportunity to provide additional information.

3.6 RELATIONSHIP WITH OTHER COMPLAINT OR GRIEVANCE MECHANISMS

Depending on the scale, organisational arrangements of the project, and the local context, other recourses may be available to aggrieved individuals:

- for workers’ grievances:
 - » lawyers acting on behalf of the aggrieved parties
 - » labour unions
 - » labour inspectorates or other relevant government authorities
 - » labour courts or other relevant tribunals
- for community related grievances:
 - » lawyers acting on behalf of aggrieved parties
 - » government authorities such as environmental agencies or agencies in charge of land acquisition
 - » civil courts or other relevant tribunals.

At no time shall using the client’s grievance mechanisms impede a worker or community from referring the matter to the national judicial system or other available mechanisms. Nor should prior referral of the matter to the judicial or other existing mechanisms,

such as national ombudsman services or the Bank’s Project Complaint Mechanism (PCM), preclude amicable negotiations, arbitration or mediation

3.7 TAKING GENDER INTO ACCOUNT

Men and women may not only communicate their grievances differently but may also have different types of grievances. This should be taken into consideration when designing, implementing and managing a responsive grievance mechanism. (See also section 4 below).

4 SPECIFIC REQUIREMENTS

4.1 COMMUNITY GRIEVANCES

4.1.1 Organisational Arrangements

In most projects the client allocates the responsibility for dealing with community grievances to an organisational structure also in charge of the community liaison function:

- In smaller projects, the client can simply designate a point of contact within the public relations department or communications offices, to which grievances should be addressed. Once the grievance has been received and acknowledged, one or several trained staff should be allocated resolution responsibilities depending on the scope of the grievance.
- In larger projects, the client can establish one or more community liaison officers, who will also deal with grievances. They may also be able to provide different ways to lodge a grievance or various types of locations at which to do so.

Anyone who has lodged a grievance should be afforded the opportunity to have someone accompanying them to meetings and interviews held during the investigation of the grievance. All reported grievances must be taken seriously and handled accordingly. In this regard it is worth noting that women and men might report different issues and staff responsible for handling the complaints should avoid subjective value judgements that may lead to the trivialising of complaints.

4.1.2 Information on Grievance Mechanisms

Information on ways to make complaints must be readily available to potentially affected communities and other stakeholders. Leaflets, website links, posters in administrative offices and public places, or complaint boxes at strategic locations are all good ways to

make sure that potential complainants can submit their grievances. In addition, all individuals within the project organisation who are likely to interact with communities should be well informed about the project grievance mechanisms available in order to provide appropriate guidance. In many cases it is also helpful if relevant local authorities are aware of the grievance mechanisms.

The methods used to publicise the availability of the grievance mechanism should be culturally appropriate and be in accordance with how stakeholders usually acquire information. Women and men may access information differently and it needs to be ensured that both have equal access to information which may require the provision of multiple modes of communication.

4.1.3 Venues to Lodge Grievances

For large or complex projects, community members willing to lodge a grievance should be able to use one or several of the following ways:

- Directly at main project offices. However, where specific security arrangements prevent easy access of community members to project offices, the client may need to open dedicated community offices outside their main office or use alternative offices.
- At local authorities' offices such as municipalities or district administration. Often this may be an appropriate venue in the early stages of a project's development. For example, grievance boxes can be located in local authorities' offices near a community information board.
- Telephone hotlines, postal and online grievance filing can be useful but are usually not sufficient, especially for rural, remote and poor communities.
- At mediator's or arbitrator's offices in cases where an independent mediator or arbitrator is involved.

In situations where women or men might feel uncomfortable discussing a grievance with a person of the opposite sex, the client should offer the option to hold discussions with someone of the same sex, both at the time of registering the complaint as well as during the review process.

4.2 WORKERS' GRIEVANCES

Please refer to the guidance material on employee grievance mechanisms in the PR 2 labour toolkit available on request from EBRD.

4.3 THIRD PARTY INVOLVEMENT: INDEPENDENT MEDIATION OR ARBITRATION

Establishing a second tier of grievance management with a degree of independence from the client may be necessary for projects likely to give rise to significant numbers of grievances or to particularly complicated grievances. Typically such projects are complex involving, for example, land acquisition or Indigenous Peoples. Depending on local circumstances, this second tier could involve, for example, a local legal practice, a well-regarded NGO or well-respected individuals. The second tier's remit would only be those grievances which have been reviewed by the first-tier internal mechanism and have been declared resolved but the complainant is dissatisfied with the proposed resolution. Appendix 1 presents an overview of the relationships between the different levels in a typical grievance management mechanism. Depending on the local and project circumstances, the second tier could be assigned either with one or both of the following objectives/functions:

- mediation, which is the facilitation of both parties' efforts to reach an acceptable solution
- binding arbitration, whereby both parties agree to be bound by the decision of an independent arbiter

4.4 GOVERNMENT LED PROJECTS

In addition to resorting to the judicial system, many governments in the EBRD's countries of operations have their own grievance procedures for challenging an administrative decision. Often this is based on specific ombudsman services. Experience demonstrates, however, that the efficiency of these systems may not meet the Bank's expectations and requirements for a timely resolution of grievances. In such cases, the Bank requires that a project-specific grievance management mechanism be established, unless adequate evidence can be provided by the relevant government that existing mechanisms provide effective and timely grievance resolutions.

In a typical government-led project, it is practical to rely on different levels of local government (for example municipality/district) to establish a two-tiered system. Where the grievance review is to be performed by

administrative commissions, it is desirable that such commissions include members representing affected people and/or non-governmental organisations.

4.5 GRIEVANCE MECHANISM UNDER SPECIFIC PERFORMANCE REQUIREMENTS

4.5.1 Application of PR 5 Requirements – Land Acquisition

Grievances related to land acquisition and resettlement may need to be managed separately from other community grievances, particularly if the institutional responsibilities and arrangements would require this. PR 5 requires the client to establish a recourse mechanism along the principles outlined in 4.3 above and in Appendix 3.

Land acquisition often gives rise to a considerable number of complaints and disputes, particularly if land records are not up to date and land markets not fully developed. It is therefore important that the client's organisation dealing with land acquisition has a sufficient number of trained staff to effectively handle grievances

4.5.2 Application of PR 7 Requirements – Indigenous Peoples

Where PR 7 applies, the client will need to assess and/or seek advice as to whether a specific grievance mechanism needs to be established for Indigenous Peoples. This may be the case if certain aspects of the general community grievance process (such as language issues or the need to file a grievance in writing) are deemed unsuitable for the indigenous community in question. Regardless of the arrangement, the Bank will have to be satisfied that the grievance management system accommodates any specific cultural requirements of Indigenous Peoples, while at the same time meeting the Bank's requirements.

4.5.3 Application of PR 9 Requirements – Financial Intermediaries

PR 2 is applicable to FI staff, and therefore a grievance mechanism is to be established for workers as per the general provisions described above, for workers' grievances.

Larger FI sub-projects will fall under PR 10 and therefore the general provisions described above for community grievances apply. Otherwise, the practical implementation of PR 9 to FIs may involve, for example:

- a designated individual within the FI organisation to manage any potential grievances
- a grievance web page, including a grievance form, available on the FI web site.

In addition, EBRD representatives in FI Boards shall be made aware of PR 9 requirements as well as of the grievance management arrangements mentioned above in this sub-section

4.6 AUDITS

For complex projects the Bank may require periodic external audits of the grievance management system as part of its monitoring activities. Such audits would typically include:

- a review of logging, tracking and documentation systems including acknowledgement of receipts and resolution agreements
- a check that deadlines and timeframes committed on by the client are generally met
- a check that potentially affected people, workers and other stakeholders are generally aware of the avenues available to lodge a grievance
- a check of the variations in time of the number of open and closed grievances
- a check on a sample of grievances of:
 - how resolution responsibility is assigned
 - complainant satisfaction with the process (timely, fair)
 - evidence that "closed" grievances have been closed following satisfactory due process
 - complainant satisfaction with the outcomes.

APPENDIX 1 – SAMPLE GRIEVANCE FORM

Reference No: _____

Full Name

Note: you can remain anonymous if you prefer or request not to disclose your identity to the third parties without your consent

First name _____

Last name _____

- I wish to raise my grievance anonymously
 I request not to disclose my identity without my consent

Contact Information

Please mark how you wish to be contacted (mail, telephone, e-mail).

By Post: Please provide mailing address:

By Telephone: _____

By E-mail: _____

Preferred Language for communication

- Russian
 Ukrainian

Description of Incident or Grievance:

What happened? Where did it happen? Who did it happen to? What is the result of the problem?

Date of Incident/ Grievance

- One time incident/grievance (date _____)
 Happened more than once (how many times? _____)
 On-going (currently experiencing problem)

What would you like to see happen to resolve the problem?

Signature: _____

Date: _____

Please return this form to: [name], Health and Safety Manager, [company name],
 Address _____: Tel.: _____ or E-mail: _____@_____.com .

APPENDIX 2 – SAMPLE GRIEVANCE DATABASE

Description of the problem															
Initiator				Person delegated to address in SSW/DPI				Problem							
Settlement	Type of the problem	Name	Date	Phone number	Name	Phone number	Others comment	Number	Description of the problem	Responsible department	Responsible person	Actions to be done	Due date	Results of the intervention	Closing date of the issue

APPENDIX 3 – TYPICAL GRIEVANCE MANAGEMENT FLOW CHART

