

**Terms of Reference**  
**for the Complaints-resolution, Evaluation and Integrity Unit**  
July 10, 2019

**SECTION A: PURPOSE AND RESPONSIBILITIES**

The primary responsibilities of the Complaints-resolution, Evaluation and Integrity Unit (CEIU) are to selectively assess the quality and results (for completed projects) of the Bank's ongoing and completed investment portfolio, to serve as the focal point for external requests or complaints regarding compliance with the Asian Infrastructure Investment Bank (AIIB) Environmental and Social Policy (ESP) under the Project-affected People's Mechanism (PPM) Policy, and to investigate project-related fraud and corruption cases under the Policy on Prohibited Practices.

**SECTION B: FUNCTIONS**

- Complaints-handling Function—establishing and implementing a complaints-handling mechanism, the PPM. This work is focused on handling ESP-related complaints initiated by Project-affected People alleging environmental and/or social harm from AIIB-financed operations.
- Evaluation Function—evaluation of AIIB's ordinary and special operations.
- Anti-fraud and corruption Function—anti-fraud and corruption work carried out in accordance with the Policy on Prohibited Practices (PPP). This includes investigating and handling complaints relating to Prohibited Practices.
- Provide independent input to the President when Management formulates and/or reviews policies and strategies; share this input with the Board of Directors (Board).

**SECTION C: STRUCTURE**

- CEIU is headed by a Managing Director (MD).
- CEIU has three distinct functions: evaluation, project complaints-handling and anti-fraud and corruption. The work will be organized as follows:

*Evaluation*

- Preparing and updating, as needed, the relevant policy, directive, administrative guidance, methodologies and processes for evaluation of projects under implementation and post-evaluation of projects after completion.
- Assessing whether AIIB projects are producing the expected results, including as they relate to the implementation of Board-approved policies and strategies and preparing an annual report of the assessment results and lessons learned. Following (and as a result of) project evaluation, CEIU may recommend to Management revisions to relevant operational policies and sector strategies. These recommendations will be shared with the Board in the CEIU annual report.
- Evaluating delegated projects under the Accountability Framework.
- Using assessments and findings to make recommendations to help improve AIIB's responsiveness to Members' and clients' needs and concerns.
- Organizing, engaging and supervising external specialists for desk or onsite evaluation functions for specific assignments.
- Handling all regular communications that involve the evaluation function, including all disclosure and related online publication of evaluation-related information, as consistent with the Policy on Public Information.
- Reporting periodically to the Board/Board Policy and Strategy Committee (PSC) on the results and actions taken by Management in response to evaluation of projects.
- Compiling, synthesizing and disseminating lessons drawn from early learning assessments and evaluations, both internally and externally, including inputs to a lessons learned database.
- Conducting staff training on evaluation.
- Cooperating/coordinating with the teams synthesizing lessons from evaluation in other MDBs to share findings and lessons.

### *Complaints Handling*

- Preparing and updating, as needed, the PPM Policy, Directive and Rules of Procedure regarding the PPM.
- Receiving, reviewing, recording and registering (or redirecting to a cofinancier, as applicable) submissions made to AIIB alleging noncompliance with the ESP and determining their eligibility and suitable review processes.

- Preparing and updating all relevant documentation concerning any submitted processing queries, request for dispute resolution or request for compliance review, including for eligibility and related considerations.
- Organizing, engaging and supervising external specialist(s) for desk and/or onsite PPM functions for specific assignments.
- Working with Management on the findings of investigations to facilitate Management to take actions to address complaints.
- Reporting periodically to the Board/PSC on the findings and actions taken by Management in response to processing queries, requests for dispute resolution or requests for compliance review.
- Assisting and advising AIB staff on the application of PPM procedures and guidelines.
- Compiling lessons learned from investigations and sharing with relevant departments.
- Conducting staff training on PPM.
- Handling regular communications that involve the PPM, including all related online publication of PPM-related information.
- Explaining applicable PPM procedures and processes to parties seeking guidance, including the process for submitting project processing queries, requests for resolutions or complaints to the PPM, if requested.
- Cooperating/coordinating with the independent accountability mechanisms of other MDBs.

#### *Anti-fraud and corruption*

- Preparing and updating, as needed, the PPP and directive and administrative guidance regarding the PPP, as well as the investigation methodologies.
- Receiving, reviewing and handling reports (anonymous or non-anonymous) on suspected prohibited practices.
- Organizing and undertaking investigation of suspected prohibited practices.
- Determining the complaint's materiality, credibility and verifiability; and recommending appropriate course of action.
- Conducting investigations and reporting findings, closing cases which are either unfounded/unsubstantiated; and proceeding with cases found to have engaged in prohibited practices to sanction process.

- Compiling lessons learned from investigations and sharing with the relevant departments as inputs to process improvements and preventive measures in AIIB operations.
- Conducting staff training on the PPP and integrity issues in AIIB operations.
- Reporting periodically to the Board/Board Audit and Risk Committee on the investigation cases and findings.
- Handling communications that involve the PPP and investigative issues.
- Submitting to the Sanctions Officer entities for cross-debarment as described in the PPP.
- Cooperating/coordinating with the anti-fraud and corruption teams of other MDBs.

#### *Processes for CEIU*

- The MD-CEIU is appointed by the President, following consultation with the Board and otherwise in accordance with the Staff Rules. The President shall share all relevant information with the Board regarding a candidate he intends to appoint, including background, experience, their curriculum vitae and any other relevant information. The Board may provide feedback to the President, through the Corporate Secretary, within 14 calendar days.
- The MD-CEIU shall be appointed for a single five-year term which is nonrenewable. The MD-CEIU shall not have previously been a Staff Member or Consultant, nor shall they be eligible for future Staff and Consultancy roles at the Bank.
- CEIU reports to the Board, but should regularly engage with and brief Management on its activities in order to ensure effective communication and lessons-learning.
- CEIU and its staff are subject to the same discipline as other AIIB departments and their staff, including coverage by the Audit Office, and requirements under the Code of Conduct and Staff Regulations and Rules.
- The performance assessment of the MD-CEIU is conducted by the President, in consultation with the Board and otherwise in accordance with the Staff Rules. Directors are invited to share their input with the President (through the Corporate Secretary) in advance of the review. The Corporate Secretary will provide notice to the Board on the timing of such. Directors will have 14 calendar days to provide input.
- CEIU will report to the full Board in a manner consistent with the quarterly update from Management. It will also report in more detail on specific issues to the Board Committees as follows:
  - Project Complaints and Evaluation related issues will be reported to the PSC.

- Integrity issues related to projects will be reported to the Audit and Risk Committee.
- The MD-CEIU may meet with members of the Board without the presence of Management in an informal setting. Such meetings will be chaired by the Dean of the Board. A meeting shall be called by the Dean of the Board or at the request of the MD-CEIU. The Corporate Secretary facilitates the meeting arrangements as needed.
- If the President wishes to terminate the MD-CEIU, in accordance with the Staff Rules, he shall consult the Board in advance. This consultation shall be done during a meeting of the Board, either virtual or physical.
- The President will incorporate any feedback received from Directors regarding the performance of the MD-CEIU into the annual performance appraisal of the MD-CEIU.

#### *Budget for CEIU*

- The budget of CEIU will be prepared by the President and approved by the Board as part of the overall AIB budget. However, it will be specified as a separate line item. The MD-CEIU may report to the Board Budget and Human Resources Committee on CEIU's work program and proposed budget. The Board may also comment on the CEIU budget at the full Board meeting during the discussion of AIB's Business Plan and Budget.
- Notwithstanding the approved annual budget of CEIU, additional resources for dealing with submissions to PPM, investigating complaints regarding Prohibited Practices, and for evaluation of investment projects will be provided as need be.