

Proposed Compliance Review and Grievance Process Frequently Asked Questions

1. Is UNDP ultimately responsible for project compliance when in most cases other parties, frequently governments, are the ones actually carrying out the activities, with UNDP playing an administrative or technically supportive role?

UNDP's responsibility is to ensure that its environmental and social policies are being met in projects that it supports. Even where UNDP may not be responsible for the implementation of a project, the project may still be subject to UNDP policies. UNDP bears the responsibility of knowing whether the project is in compliance and in developing steps to bring it into compliance.

2. What do we do when UNDP is put in a position of resolving a complaint from a community or civil society representative against their government (UNDP's client)?

Dispute resolution contemplated under the grievance procedure is always based on the voluntary participation of all stakeholders. If a client government is necessary for effective resolution of the grievance and it does not want to participate in the grievance procedure, then the grievance process cannot go forward and UNDP would close out the complaint.

3. UNDP undertakes primarily advisory services—not large-scale infrastructure projects— so why after more than 30 years of operation do we need this type of mechanism now?

The nature of UNDP's operations as well as the policy context in which UNDP operates is changing in significant ways. Donor governments and civil society organizations now see environmental and social safeguard policies and accompanying recourse mechanisms as necessary for the international development processes. Over the past fifteen years most multilateral development banks and other international financial institutions now have recourse mechanisms like those being proposed for UNDP.

The need for an accountability mechanism at UNDP is particularly acute in the climate finance context. UNDP's expected role in climate finance is likely to extend beyond advisory services to include more direct support for project implementation. Climate finance is a highly controversial policy environment, where project performance will be closely monitored by donor and recipient governments and civil society organizations. Indeed, UNDP's future participation in climate finance likely depends in part on developing a credible and robust safeguard and accountability system. More specifically,

- The **World Bank-hosted Forest Carbon Partnership Facility (FCPF)**¹, to which UNDP is a Delivery Partner, requires partners to have a compliance review and grievance process to enforce their environmental and social safeguard policies;²
- The **Global Environment Facility (GEF)**, to which UNDP is an Implementing Partner, will require that implementing agencies have a mechanism for ensuring enforcement of their environmental and

¹ See [FCPF website](#)

² See [FCPF Common Approach to Environmental and Social Safeguards for Multiple Delivery Partners](#)

social safeguard policies and a grievance process for receiving and responding to complaints (and a mechanism for reporting on how complaints are dealt with);³

- The **Board of the Green Climate Fund (GCF)** will agree on and adopt best practice environmental and social safeguards, which shall be applied to all programmes and projects financed by the Fund. The Fund will also support the strengthening of capacity in recipient countries, where needed, to assist them in meeting the Fund’s environmental and social safeguards;⁴
- There is also strong demand from **stakeholders and civil society** for UN agencies to have safeguards and accountability measures in place.⁵

4. Who has ultimate responsibility for ensuring compliance and for responding to community-based grievances (e.g., the Resident Representative, Regional Bureaux, Administrator?)

Under the proposed compliance review process, the UNDP Administrator will have the ultimate responsibility for determining what steps are necessary to bring projects back into compliance, based on the findings of the compliance review. As part of this decision making responsibility, the Administrator would have the authority to hold other staff accountable for non-compliance, but the primary objective of the compliance review mechanism is not to hold particular staff responsible but to work toward systemic improvements in environmental and social performance of UNDP-supported projects.

Under the proposal, the primary responsibility in UNDP for ensuring that an effective grievance process is available to project-affected people will be located with the Resident Representative who will likely delegate the responsibility to a “grievance officer” within the country office. The goal of the grievance process is to provide project-affected communities an opportunity to have their concerns heard and addressed fairly and openly. UNDP’s grievance process should be available as a supplement to project-level grievance processes. The success of any dispute resolution effort under the UNDP grievance process will depend on the voluntary participation of all stakeholders.

5. What is the difference between the compliance review and grievance process?

Both the compliance review and grievance processes are meant to enhance the environmental and social performance of UNDP projects and both provide an opportunity for project-affected people to voice their concerns about a UNDP-supported project. The goals and methodologies of the compliance review and grievance processes differ however.

Compliance review ensures that the institution is in compliance with its own environmental and social policies and procedures through investigation and reporting on potential violations. The investigation generally takes the form of a review of all documents, interviews with the complainant and relevant staff and management, and a visit to the area. The process is relatively formal, with staff and the complainants provided specific opportunities to participate. The compliance review culminates in a report with findings (and potentially recommendations regarding how the project should be brought into compliance) that can form the basis for a decision made by the Administrator.

In the grievance process, the concerns of project-affected people are addressed flexibly with the goal of responding to and solving problems on the ground. Complaints to the grievance process will typically be assessed to determine what type of dispute resolution process would be most likely to solve the problems raised. The complainants, project sponsors and other stakeholders participate in the process voluntarily

³ See [GEF Policy on Agency Minimum Standards on Environmental and Social Safeguards](#).

⁴ See [p. 11 of the draft decision -/CP.17 - Green Climate Fund -Report of the Transitional Committee](#).

⁵ See [letter from CSOs to UNDP Administrator, 14 October 2011](#).

with the goal of working towards a mediated or negotiated agreement. This facilitated process ends when either a solution is not possible and the complaint is formally closed or an agreement is reached, which depending on the agreement of the parties may be made public.

6. What policies are covered by the compliance review?

The compliance review process is intended to address all environmental and socially related commitments UNDP has made in their policies, including for example the recently introduced environmental and social screening procedure as well as policies on indigenous peoples, gender, etc. It may also review compliance with relevant environmental and social policy commitments made in the context of partner agreements.

7. Will UNDP be vulnerable to legal liability when there is a finding that UNDP has not complied with its policies?

The compliance review process is not a court of law; it is an internal process that should not create any expectation of any legal cause of action against the institution. Moreover, nothing in the compliance review process would constitute a waiver of the privileges and immunities of UNDP. Other international institutions that have looked into the question of liability have concluded that the findings of noncompliance from an internal review mechanism would not create any new legal cause of action.

8. Why is compliance review placed inside the Office of Audit and Investigation?

The Office of Audit and Investigation (OAI) offers a number of advantages for housing the compliance review function. First, OAI is experienced in conducting investigations to gather, analyze and present information in a way that supports recommendations and any ultimate decisions. Many of OAI's processes for intake, data management, confidentiality and investigation will be directly applicable for investigations into environmental and social compliance. OAI is independent from the rest of the program and project development staff at UNDP, and the director of OAI reports directly to the UNDP Administrator. OAI currently has limited expertise or experience with environmental and social issues, which is why the compliance review (though housed in OAI) will involve new professional staffing.

9. Who can file a complaint to the compliance review or grievance process?

For both the compliance review and grievance process, any person or group of persons who are affected or potentially affected by a UNDP-supported project can file a complaint. For compliance review, the UNDP Administrator or the compliance review officer can also initiate a compliance review on their own initiative.

10. What will happen if a project is found in non-compliance?

Drafts of all compliance reports are provided to the complainant and program staff for comment before being finalized. Should a project be found in non-compliance, the final report and its recommendations are sent to the Administrator for a decision regarding what actions should be taken regarding the project. The Administrator can take a variety of steps at her discretion, including to agree that modifications should be made to UNDP's approach to the project; withholding additional support to the project pending specific steps necessary for compliance with UNDP policies; or stopping disbursements in cases where a project is harming affected people and cannot be brought into compliance; or if the Administrator decides, and resources allow, to compensate the people for harm caused by UNDP's failure to ensure compliance with its policies. With the understanding that non-compliance can be beyond UNDP's control, the mechanism is not meant to single out staff for criticism because of a finding of non-compliance.