



Terms of Reference
for the Complaints-resolution, Evaluation and Integrity Unit
January 27, 2024

SECTION A: PURPOSE AND RESPONSIBILITIES

The primary responsibilities of the Complaints-resolution, Evaluation and Integrity Unit (CEIU) are (a) to provide an opportunity for an independent and impartial handling of 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](#) (b) to strengthen institutional performance, credibility, internal and external accountability, and learning by selectively assessing the quality and results of the Bank’s ongoing and completed investment projects, operational policies, strategies and procedures in accordance with the AIIB [Learning and Evaluation Policy](#) (LEP), and (c) to support the Bank’s “clean” values by investigating project-related fraud and corruption cases under the [Policy on Prohibited Practices](#). Grouping these three functions under CEIU supports the Bank’s corporate learning and accountability culture by deriving findings and lessons across all three functions to support continuous improvement in AIIB policies and practices. Additionally to the aforementioned functions, CEIU may provide independent input to the Board of Directors (Board) and the President when Management formulates and/or reviews operational policies and strategies or when otherwise agreed in the Board approved CEIU work program.

SECTION B: FUNCTIONS

- Complaints-handling Function—implementation of the PPM, AIIB’s complaints-handling mechanism regarding compliance with the ESP.
- Learning and Evaluation Function—evaluative assessment of AIIB’s ordinary and special operations in accordance with the LEP.
- Integrity, 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 in Projects.

SECTION C: STRUCTURE

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

Complaints Handling

- Drafting updates as needed to the PPM Policy, Directive and Rules of Procedure.
- 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 AIIB 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, in consultation with relevant departments as needed, all regular communications that involve the PPM, including all disclosure and related online publication of related information, as consistent with the Policy on Public 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.

Learning and Evaluation

- Drafting updates as needed to the LEP and associated Directive. Developing and updating guidance, methodologies and processes designed to facilitate implementation of the LEP.
- Preparing, in accordance with the LEP and in consultation with Management, an annual work plan and budget for LEAs, as part of the overall CEIU budget and workplan.
- Conducting Learning and Evaluation Activities (LEAs) in accordance with the LEP including assessing whether AIIB projects are producing the expected results and how they relate to the implementation of Board-approved policies and strategies.

- Providing to Board and Management independent evaluative input for the development and review of operational policies and sector strategies conducted by Management on the basis of lessons from the assessment of operations, policies and strategies, including relevant thematic and/or sector assessments, and, where relevant, lessons from peer institutions, undertaken in accordance with the LEP.
- Facilitating and encouraging the use of findings and lessons from LEAs and peer institution evaluations by:
 - compiling, contextualizing, synthesizing and disseminating the findings and lessons internally and externally and storing them in a lessons database; and
 - conducting training and awareness-raising sessions and providing explanatory materials for staff on lessons and findings from LEAs.
- Handling, in consultations with relevant departments as needed, all regular communications that involve the learning and evaluation function, including all disclosure and related online publication of evaluation-related information, as consistent with the Policy on Public Information.
- Reporting to the Board: (i) periodically on the implementation of its annual work plan; (ii) annually on its work plan results and lessons identified; and (iii) periodically on Management's application of findings, recommendations and lessons from LEAs.
- Participating with other organizations in evaluative activities of common interest, including with co-financiers of Projects supported by the Bank and to share findings and lessons.

Integrity, Anti-fraud and Corruption

- Drafting updates as needed to the PPP, its Directive and administrative guidance regarding the PPP, as well as the investigation methodologies.
- Receiving, reviewing and handling reports (anonymous or non-anonymous) on suspected project-related prohibited practices.
- Organizing and undertaking investigation of suspected project-related 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, in consultations with relevant departments as needed, all regular communications that involve PPP and investigative issues, including all disclosure and related online publication of related information, as consistent with the Policy on Public Information.
- 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 they intend to appoint, including background, experience, and their curriculum vitae. 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. Other than during a short transition period at the beginning or end of their tenure, 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 and should regularly engage with and brief Management on its activities in order to ensure effective communication and lessons-learning.
- Regarding the conduct of CEIU's functions, CEIU staff shall not be subject to instructions by Management, which would be inconsistent with CEIU's independence and reporting to the Board.
- For administrative purposes CEIU and its staff are subject to the policies, rules and procedures and the same discipline as other AIIB departments and their staff, including coverage by the Internal Audit Office of its financial management, and requirements under the Code of Conduct and Staff Regulations and Rules.
- In the implementation of its functions under the respective Policies, CEIU and its staff shall count on the full cooperation of Bank staff and, supported through Management relations and best effort, of the client as needed. CEIU shall be afforded timely and unrestricted access to Bank staff and information in their possession required for CEIU to carry out its functions. In accessing and using confidential and commercially sensitive information, CEIU and its staff are bound by the requirements under the Code of Conduct and the Policy on Public Information.
- 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.

- 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.
- 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 periodically and at least once a year 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.
- The Board will periodically commission an external assessment of CEIU.
- If the President wishes to terminate the MD-CEIU, in accordance with the Staff Rules, the President shall consult the Board in advance. This consultation shall be done during a meeting of the Board, either virtual or physical.

Work Program and Budget for CEIU

- CEIU will develop its multi-year as well as annual work program in consultation with AIB Senior Management and relevant Board Committees, considering issues of interest and relevance to AIB and its member countries together with demands related to PPM or Integrity. The work program should reflect the priorities and capacity of AIB to support and absorb the lessons from work undertaken in CEIU functions as well as the strategic needs of the institution and its clients. The CEIU annual work program and budget is approved by the Board within the Bank's business planning process, and the work program is publicly disclosed.
- The budget of CEIU will ensure both predictability and responsiveness in the implementation of the Work Program, 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 needed.