

NATIONAL DEVELOPMENT BANK OF PALAU



# Grievance Redress Mechanism

# NATIONAL DEVELOPMENT BANK OF PALAU

## GRIEVANCE REDRESS MECHANISM

<b><u>1. GRIEVANCE REDRESS MECHANISM</u></b> .....	<b>1</b>
1.1. MISSION AND OBJECTIVES .....	1
1.2. MISSION STATEMENT.....	1
1.3. RATIONALE FOR THE GRIEVANCE REDRESS MECHANISM .....	1
<b><u>2. OBJECTIVES, JURISDICTION AND CORE PRINCIPLES</u></b> .....	<b>2</b>
2.1. OBJECTIVE.....	2
2.2. JURISDICTION.....	2
2.3. CORE PRINCIPLES .....	2
2.4. SOCIAL AND GENDER INCLUSIVE MEASURES.....	3
<b><u>3. GRIEVANCE REDRESS BODIES</u></b> .....	<b>3</b>
3.1. GRIEVANCE FOCAL PERSONS .....	3
3.2. THE NDBP BOARD .....	3
3.3 GRIEVANCE REDRESS COMMITTEE.....	4
<b><u>4. GRIEVANCE REDRESS PROCESS</u></b> .....	<b>4</b>
4.1. STEP 1. INFORMAL RESOLUTION .....	4
4.2. STEP 2. FORMAL RESOLUTION .....	4
4.3. STEP 3: NDBP BOARD OF DIRECTORS.....	5
4.4. STEP 4: GRIEVANCE HEARING BY THE GRC.....	5
4.5. STEP 5: FEEDBACK TO THE COMPLAINANT .....	6
<b><u>5 CAPACITY BUILDING</u></b> .....	<b>7</b>
<b><u>6. DISCLOSURE, MONITORING AND EVALUATION</u></b> .....	<b>7</b>
6.1. MONITORING AND EVALUATION .....	7
6.2. DISCLOSURE: .....	7
<b><u>ANNEX 1. GRIEVANCE LODGING TEMPLATE</u></b> .....	<b>8</b>
<b><u>ANNEX 2: SAMPLE LOGBOOK OF GRIEVANCES</u></b> .....	<b>9</b>

## 1. GRIEVANCE REDRESS MECHANISM

### 1.1. Mission and Objectives

- 1.1.1. The National Development Bank of Palau (hereinafter “Bank”) was established and operates in accordance with the provisions of the National Development Bank Act (Republic of Palau Public Law (RPPL) No. 1-27, codified as Title 26 Palau National Code Section 101 et seq., as amended by RPPL No. 3-4 and RPPL 5-37) as the central financial institution for initiating and promoting Palau’s economic development. NDBP is an autonomous statutory body with its own Board of Directors, whose members are appointed by the President of the Republic of Palau with the advice and consent of the Senate of the Olbiil Era Kelulau (OEK).
- 1.1.2. The Bank conducts its activities, within the framework of the Government’s economic plans, policies and priorities.

### 1.2. Mission Statement

- 1.2.1. The Bank will actively promote environmentally friendly economic development, and measures for increasing gender equality and women’s access in financing in all sectors of the nation through the provision of capital to deserving enterprises and will conduct its business in a profitable and sustainable manner.

### 1.3. Rationale for the Grievance Redress Mechanism

- 1.3.1. The Bank is a service organization and customers’ satisfactions and loyalty is a prime focus of the bank’s operations. Customers’ complaints may happen in banks services. To address customers’ complaints, the Bank adopted a Grievance Redress Mechanism (GRM) including the core principles and process, to address internally and efficiently its customers concerns and grievances related to the operations and services of the Bank and its staff. The benefits of the GRM include:
  - Outline the Grievance Redress Mechanism process used to identify, track, address, and close out grievances raised by stakeholders of the Bank;
  - Respond and resolve any potential complaints or concerns internally by the Bank in a timely, transparent, and participatory manner.
  - Provide an accessible platform to customers to express concerns and grievances and thereby, increase the access and benefits of the Bank’s services to clients, including to the socially marginalized groups, low-income and women-headed households; and
  - Review and analyze grievances to address any systematic gaps and misconducts in Bank services;
- 1.3.2. In the absence of a GRM, complainants would seek solutions to their grievances through the formal, and often time- and cost- consuming administrative and judicial system, which may lead to a number of adverse consequences such as:
  - High cost and time-consuming court litigation; that would also adversely affect maintaining communication and trust between the customers and the Bank; and reputational cost for the Bank;
  - Not everyone has access and capacity to solve their grievances and/or disagreement through judicial system, especially the socially and economical marginalized groups, low-income and women-headed households.

## 2. OBJECTIVES, JURISDICTION AND CORE PRINCIPLES

### 2.1. Objective

2.1.1 This GRM is a platform for Bank's customers to express their concerns and grievances, for the Bank to redress them efficiently and increase the customers satisfactions, and reduce the risk for the Bank's reputation and portfolio. It is an internal procedure of the Bank to address the customers concerns and grievances related to the Bank's operations and services in efficient and mutual consensus manner. It does not replace other channels for grievance resolution as defined by law and the complainant may decide to address to the administrative and/or judicial system at any time of the grievance resolution process. This is a mechanism to identify and solve issues before they escalate to the judicial system. It provides the core principles, structures and process in resolution of the customers' grievances and corrective actions for any gaps and/or misconducts in Bank's services.

### 2.2. Jurisdiction

2.2.1. The complaints of following nature are outside of the jurisdiction of the GRM:

- Complaints about the bank's commercial judgment
- Complaints about the bank's interest rate policies or fees and charges
- Complaints involving claims of direct financial loss above a \$5,000 ceiling
- Complaints about matters occurred before this GRM came into force
- Complaints already resolved by the bank before this GRM came into force.

### 2.3. Core principles

2.3.1. The following core principles shall guide the grievance redress process:

2.3.2. **Impartiality:** The receipt and resolution of grievances shall be guided by the key principles of impartiality. The decision ought to be based on objective criteria, rather than on the basis of bias and prejudice. Those authorised for reviewing the grievance shall be impartial and free of conflict of interest in relation to the grievance and/or the parties involved: in case of any interest, they shall be replaced for the subject case.

2.3.3. **Awareness.** The customers and public shall be made aware of the Bank's GRM. The Bank through its website, newspapers and media, as well as any public awareness campaigns conducted for its lending products and services will announce to public about the Bank's GRM and contact information of the Bank staff responsible for receiving grievances;

2.3.4. **Accessible:** The concerns and grievances of customers shall be received both in written and verbal forms through any communication means to make the GRM easily accessible to all customers especially to socially marginalised groups and low-income and women-headed households; the process and documents shall be in simple non-technical language, and in language understood by the complainant(s).

2.3.5. **Timeliness:** All grievances that fall under jurisdiction of this GRM shall be resolved and corrective actions taken within a reasonable timeline and at shortest as possible. Those grievances that cannot be resolved, will be resolved following the laws of Palau.

2.3.6. **Participation:** The complainants and/or their representatives shall be part of the resolution process and heard, and informed about the grievance process and decision timely; and all process shall be documented.

#### **2.4. Social and gender inclusive measures**

2.4.1. The grievance redress process shall take into account social and gender-specific roles and needs of men and women. Confidentiality, discretion and non-retribution can be particularly important in gender-sensitive cases, including sexual harassments and dissemination, and the possibility for men and women to lodge grievances anonymously. Victims of sexual harassment may feel too intimidated to lodge a grievance in person and to opposite sex.

2.4.2. To support the gender-sensitive GRM, the Bank assigns one male and one female staff as Grievance Focal Persons to receive and process grievances, so the customers can choose to whom they wish to express their concerns and /or lodge grievances.

2.4.3. Crimes and fraud allegations, as well the serious discrimination and harassment related grievances, are not subject of this GRM but shall be handled as defined by the law of Palau.

### **3. GRIEVANCE REDRESS BODIES**

#### **3.1. Grievance Focal Persons**

3.1.1. The Bank shall assign two its staff (one man and one woman) as a Grievance Focal Persons (GFPs) for receiving, coordinating and monitoring the customers concerns and grievances.

3.1.2. Contact details of the GFPs shall be included in the information dissemination materials of the Bank and in its website and other media used by the Bank for the public outreach of its services.

3.1.3. The GFP who received the customer's concerns and/or grievance in verbal and/or written form through any channels (e.g., email, telephone, letter, Facebook), shall register it as a case.

3.1.4. The respective GFP for the case shall put efforts and coordinate with other units and management of the Bank as needed, to resolve the customers grievance within 10 (ten) working days or earlier. If the grievance cannot be resolved at this level, or if the complainant is not satisfied with the proposed solution, the GFP shall forward the case for the review and resolution by the NDBP Board.

#### **3.2. The NDBP Board**

3.2.1. The NDBP Board shall review and resolve the grievance within 60 calendar days. If the grievance cannot be resolved at this level, or if the complainant is not satisfied with the proposed solution, the GFP shall forward the case for the review and resolution by the Grievance Redress Committee.

### 3.3 Grievance Redress Committee

3.3.1. The Bank's leded Grievance Redress Committee (GRC) shall resolve the grievances that could not be resolved on the previous levels, within 30 calendar days. This GRC is composed of following members nominated by the respective parties on the request of the Bank, and address the grievances on need-bases.

3.3.2. The members of the GRC include:

- CEO of the Bank (Chairperson)
- An Attorney on island or impartial person as agreed between the bank and the complainant.

3.3.3. The Bank assigned GFP for the case will serve as a secretary to the GRC.

## 4. GRIEVANCE REDRESS PROCESS

### 4.1. Step 1. Informal resolution

4.1.1. The Bank's staff and managers are encouraged to use informal approaches within business ethics to resolve the customers' disagreements or grievances. This includes, as possible, discuss with customers their concerns and find solution informally at the source of the problem, quicker and avoiding escalation.

### 4.2. Step 2. Formal resolution

4.2.1. If the matter is serious and/or the customer wishes to solve the matter formally, the GFP shall register the grievance, and take actions as follows.

#### Action 1: Receive and register grievances

4.2.2. The GFP shall receive the customer's complaint directly from the complainant (or made through the Bank's staff, the CEO and the Board of Directors, or Delegate), document and register it in a grievance/complaint registry logbook (see **Annexes** 1 and 2 for a sample of a grievance lodging template and logbook).

4.2.3. In case a complaint is lodged through the Bank's existing staff, the CEO, and Board of Directors, or through the Delegate, they shall forward it to the GFP to register, coordinate, and document the process in accordance with this GRM.

#### Action 2: Screening and acknowledge

4.2.4. After registering a complaint, the GFP shall assess the grievance if it is related to the Bank's operations and services, is not related to criminal act, and as such eligible for the redressal through the Bank's GRM. If the complaint is ineligible, the GFP shall inform the complainant accordingly that the subject grievance cannot be resolved through the Bank's GRM and the complainant may wish to contact other mechanisms (e.g., ombudsperson, administrative or court system).

4.2.5. Within two (2) working days of receiving the complaint, the GFP shall:

- Send acknowledgment of receipt of the complaint to the complainant, indicating: acceptance or rejection of the complaint (reasons for rejection, i.e. ineligible for the

Bank's GRM review, if rejected), the next steps, and expected date of response to the complainant; and/or

- Request the complainant to provide clarifications/information if required.

### **Action 3: Investigate and resolve**

- 4.2.6. To resolve grievances, the GFP shall investigate it through relevant approaches, review of documents, field investigation, opinions of technical experts and concerned parties, direct communication with the complainant, and/or mediation through third party such as traditional men and women clubs, as applicable on case-need bases.
- 4.2.7. The GFP shall document the grievance redress progress and information collected for each grievance. The GFP should maintain an electronic database of the received grievances. A simple excel sheet can be used for this purpose, which also allows sorting, filtering, and conditional formatting.
- 4.2.8. The GFP shall coordinate with the Bank's staff and management to resolve the issue within ten (10) working days upon receipt of the complaint.
- 4.2.9. If the complaint cannot be resolved at this level, or if the complainant is not satisfied with the proposed resolution, the GFP shall forward the case for the GRC's hearing.

### **4.3. Step 3: NDBP Board of Directors**

- 4.3.1. The GRC comprised of the concerned organizations, and invited experts whenever required subject to the nature of the complaint as indicated above, shall conduct the grievance hearing with participation of the complainants and/or their representative(s).
- 4.3.2. The NDBP Board shall review the grievance, and whenever required, collect any necessary additional information and experts opinion, and resolve the grievance within 30 calendar days.
- 4.3.3. If the grievance cannot be resolved at this level, or if the complainant is not satisfied with the proposed solution, the GFP shall forward the case for the review and resolution by the Grievance Redress Committee.

### **4.4. Step 4: Grievance hearing by the GRC**

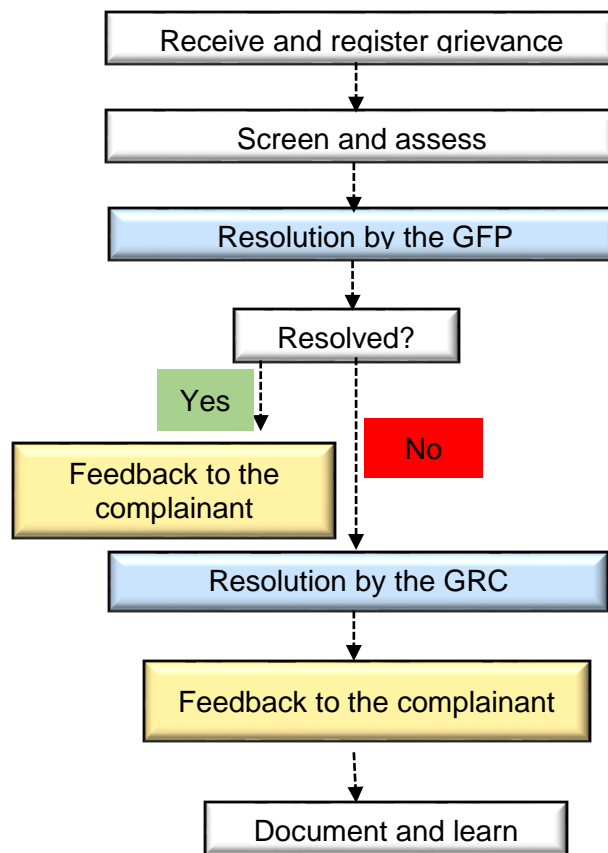
- 4.4.1. The GRC comprised of the concerned organizations, and invited experts whenever required subject to the nature of the complaint as indicated above, shall conduct the grievance hearing with participation of the complainants and/or their representative(s).
- 4.4.2. The GRC may engage other concerned authorities and independent experts to seek administrative, technical and legal expertise on case-need bases. The relevant NGO or traditional women and men groups based on the will of the complainants shall be invited to the grievance hearing(s) on case-need bases.
- 4.4.3. The GRC shall review and resolve the case within 30 calendar days since the case was forwarded to the GRC. If the case is complicated and requires technical expertise and documents, the resolution timeline can be extended to one month.

4.4.4. The resolution of the grievance reached at this level will be final at the level of the Bank’s GRM. In case if resolution is not reached, or the complainant is not satisfied with the decision/resolution, the case shall be resolved in order defined by law of Palau.

**4.5. Step 5: Feedback to the complainant**

4.5.1 The GFP provides timely feedback to the complainant after resolution and actions in each level. The feedback shall include information about the grounds for the decision on resolution, parties involved in the resolution process, relevant information and documents reviewed, and the next steps in case of accepting or rejecting the proposed resolution.

4.5.2 The graph below illustrates the grievance resolution:





## 5 CAPACITY BUILDING

- 5.1.1. All staff, management and Board of Directors of the Bank shall familiarize themselves with the Bank's GRM hereby.
- 5.1.2. The Bank arranges a GRM review and training sessions for all its staff, management, and GRC member government organizations in grievance resolution, on annual bases. The trainings will be designed to include sessions on (i) building the cognitive and noncognitive "soft" skills of the Bank's staff, management and the GRC members, and their awareness on gender roles and needs, including sexual harassment and disseminations, to address the grievances of different nature with social and gender inclusive approaches; and (b) review the GRM's annual performance through approaches given below in Section of this document on Monitoring and Evaluation.

## 6. DISCLOSURE, MONITORING AND EVALUATION

### 6.1. Monitoring and Evaluation

- 6.1.1. The Bank will carry out internal monitoring of the progress of grievance resolutions including sex-aggregated data on the complaints received and redressed. The GRFs shall track and follow up grievance redress process to achieve their resolution, and implementation of the decisions and the planned correction actions.
- 6.1.2. The Bank will evaluate the GRM annually to improving the performance of the GRM. NDBP will undertake an annual assessments of customer service and grievance redressal based on the recorded and resolved grievances data to identify the underlying systemic issues and initiate corrective measures. The assessment will include but not limited to the following areas:
  - No. of complaints received during the year;
  - No. of complaints redressed during the year;
  - No. of complaints pending at the beginning of the year;
  - No. of complaints pending at the end of the year;
  - Types of received grievances (e.g., grouped by type of issues)
  - The time period required to resolve the grievances
  - The complainant satisfaction level
  - The adequacy of resources for the GRM
- 6.1.3. Based on the outcome of the assessment, the Bank will take remedial actions to enhance its customer services, arrange trainings for employees and management on unacceptable conduct, harassment dissemination and gender and social inclusion awareness, and prevention strategies on identified gaps and misconducts.

### 6.2. Disclosure:

- 6.2.1. The Bank will disclose the GRM in its website for attention of public. The information to public should include the contact details of the GRPs and channels through which the customers can lodge their grievances, and the list of members of the GRC.
- 6.2.2. The Bank discloses its annual reports and summary information about the number and types of grievances the Bank received and handled, following the law of Palau on private data protection.

**Annex 1. Grievance Lodging Template**

The grievance can be submitted in paper or digital format and include information on:

Information about the complainant		
1.	Date and place	
2.	Name of the complainant	
3.	Contact information of the complainant (address, email, phone)	
4.	Sex and Age	
Information about the grievance		
5.	Details of the complainant	
6.	Whether you have already taken up with any other grievance resolution measures (e.g., court, ombudspersons). Yes or No. Please specify if Yes.	
7.	Signature of complainant (if submitted by paper, in person)	
8.	Signature of the bank staff received the complaint	

**Annex 2: Sample Logbook of Grievances**

No.	Title of complaint	Date received	Complainant name	Women	Men	Contact details of complainer	Complaint eligible to GRM: Yes or No	Type of complaint (e.g., harassment, poor service, information disclosure or other issue, specify)	Summary of complaint	Time bound action	Resp. person/ position	Status (resolved/ unresolved)