

- I. 185. The GRM will be implemented through four escalating steps which is presented in Figure 27, advancing to the next level only if the grievance was unable to be redressed at the previous level:
 - 1) Step 1: If a concern arises, the AP should try to resolve the issue of concern directly with the project implementer (Henan Branch of CECEP Building Energy Conservation Co. Ltd) or with the implementer via GRM access points (community leaders, neighborhood organizations, local Ecology and Environment Bureau (EEB) and national environment protection hotline 12369). If the concern is resolved successfully, no further follow-up action is required. If not, the implementer shall record any complaint and actions taken to resolve the issues and report the results to subborrower (CECEP Building Energy Conservation Co. Ltd). If no solution is found within 10 working days or if the complainant is not satisfied with the suggested solution under Step 1, proceed to Step 2. The AP may also skip step 1 and directly file the complaint with the subborrower;
 - 2) Step 2: The subborrower will investigate the complaint, and consult with the local EEB, and other stakeholders as appropriate to identify a solution. The subborrower will give a clear reply to the AP within 10 working days with the suggested solution, and the subborrower will ensure that implementation of the agreed-upon redress solution begins within 10 working days. If no solution is found or if the complainant is not satisfied with the suggested solution under Step 2, proceed to Step 3;
 - 3) Step 3: The subborrower will inform the Management Company (CECEP Fund Co. Ltd), who is the PMO of the Loan 3629-PRC, and ADB about the grievance. Under the guidance of ADB, the Management Company will organize a multi-stakeholder meeting within 10 days, where all relevant stakeholders, including the complainant, PMO, subborrower and local EEB, can discuss the issue. The multi-stakeholder meeting will aim to find a solution acceptable to all, and identify responsibilities and an action plan. The subborrower will ensure that the implementation of agreed-upon redress solution begin within 10 working days of the completion of the multi-stakeholder meeting. If no satisfied solution is formed by stakeholders, proceed to Step 4.
 - 4) Step 4: If the complainant is still not satisfied with the suggested solution under Step 3, the PMO will organize a hearing process and shall determine a solution acceptable to all. Based on the hearing results, an action plan shall be developed and the subborrower will ensure that the implementation of the agreed-upon redress solution begins within 10 working days of the completion of the hearing.

The PMO shall inform ADB on the complaints that have been received and the solutions, which shall be included in the semi-annual environmental monitoring reports.

