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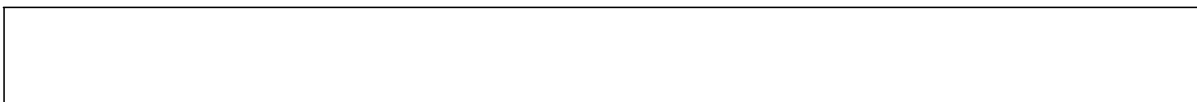
***RE-416***

***Approach Paper -  
Evaluation of the Independent  
Consultation and Investigation  
Mechanism***

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*Office of Evaluation and Oversight, OVE*

Inter-American Development Bank  
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## **ACRONYMS**

IAM	Independent Accountability Mechanisms
ICIM	Independent Consultation and Investigation Mechanism
IDB	Inter-American Development Bank
OVE	Office of Evaluation and Oversight
PEC	Policy and Evaluation Committee

## I. A BRIEF OVERVIEW OF ICIM

- 1.1 This is the approach paper for the forthcoming evaluation of the Inter-American Development Bank's Independent Consultation and Investigation Mechanism (known as ICIM in English and MICI in Spanish). The evaluation will be conducted by the Bank's Office of Evaluation and Oversight (OVE) and is to be submitted to the Board of Executive Directors in late 2012. This approach paper explains why and how the evaluation will be conducted.
- 1.2 During the past twenty years, most multilateral development organizations have established independent accountability mechanisms (IAMs) through which the public can lodge complaints about harm suffered related to non-compliance with their policies.
- 1.3 The IDB's Eighth Replenishment in 1994 specified that an independent mechanism would be created with the objective "to increase the transparency, accountability and effectiveness of Bank's performance..."<sup>1</sup> Its mandate would be to "investigate allegations by affected parties that the Bank had failed to apply correctly its own operational policies." The Independent Investigation Mechanism (IAM) was created and investigated a total of five complaints between 1994 and 2010.
- 1.4 In February 2010 the IDB's Board of Executive Directors approved a policy establishing ICIM, which superseded the IAM. ICIM's Policy<sup>2</sup> of 2010 reiterates the above citation from the 8th Capital Increase. In May 2010, the report on the Ninth General Increase<sup>3</sup> did not change or restate ICIM's objectives or mandate; it simply said: "...the Bank has sought to improve its accountability framework on environmental and social safeguards through a new Independent Consultation and Investigation Mechanism (ICIM). The proposal for the ICIM underwent a far-reaching public consultation. Management will support the Board of Directors to implement the ICIM by Q2 of 2010. Implementation implies completing the staffing and institutional arrangements necessary to start processing requests before the ICIM. Once the ICIM becomes effective, the phasing in of all operational policies contemplated in the approved ICIM policy will commence."<sup>4</sup>
- 1.5 Whereas the IAM dealt only with compliance, the ICIM process involves two separate processes: consultation and compliance.
  - (i) The purpose of consultation is "to provide an opportunity, applying consensual and flexible approaches, to address the concerns of a party that believes it has been or could reasonably be expected to be directly, materially adversely affected by the failure of the IDB to follow its Relevant Operational Policies in a Bank-Financed Operation." The

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<sup>1</sup> Source: Report on the Eighth General Increase in the Resources of the Inter-American Development Bank (AB- 1704, 12 August 1994) section 2.97.

<sup>2</sup> GN-1830-49, 4 February 2010

<sup>3</sup> AB-2764, 21 May 2010

<sup>4</sup> On the Report on the Ninth) General Increase in the Resources of the Inter-American Development Bank (AB-2764, 21May2010)

consultation process is led by the Project Ombudsperson, a full-time staff member of IDB.

- (ii) The purpose of compliance review is “to establish whether (and if so, how and why) any Bank action or omission, in respect of a Bank-Financed Operation, has resulted in non compliance with a Relevant Operational Policy and direct, material adverse effects (potential or actual) to the Requester.”<sup>5</sup> Each review is conducted by the chair and two other members of the five-person compliance panel, who are not IDB staff.
- 1.6 ICIM has an Executive Secretary charged with “the day to day activities of the ICIM office...including receiving and acknowledging requests, maintaining a registry, providing administrative support, and preparing an annual budget. The Executive Secretary, Ombudsperson, and Panel Chair each report directly to IDB’s Board of Executive Directors. As of June 30, 2012, ICIM had received 41 requests since it became effective, of which 19 have been registered as cases. Of these 19, 14 have been declared eligible for the consultation phase and a further 2 for the compliance phase but not the consultation phase.<sup>6</sup> A complete list of cases and their status is at [Annex 2](#).

## **II. MANDATES AND SCOPE FOR THE EVALUATION**

- 2.1 The forthcoming evaluation responds to two separate mandates:
- (i) The policy establishing ICIM stipulates that “two years after the effective date of the Mechanism, the Board shall request an independent evaluation of the Mechanism. On the basis of such evaluation, and any comments thereon from Management, the Board will assess the experience with the Mechanism”. The Board has requested that the Office of Evaluation and Oversight (OVE) undertake this evaluation.
  - (ii) In the context of the evaluation of IDB’s 9th capital increase, OVE has been asked to review the implementation of IDB9 -related mandates. One of these mandates pertains to the establishment and effective implementation of ICIM, including its staffing and the phasing in of all operational policies contemplated in the approved ICIM policy.
- 2.2 In accordance with these mandates, the evaluation will cover ICIM’s purview, policies, structure and staffing, and will examine requests received between May 2010 and June 30, 2012

## **III. PURPOSES OF THE EVALUATION**

- 3.1 ICIM is still at an early phase, having so far completed work on only three consultation cases and no compliance review cases.<sup>7</sup> Accordingly, this will be a „formative“ evaluation. A formative evaluation reviews how an ongoing initiative s

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<sup>5</sup> GN-1830-49, 4 February 2010

<sup>6</sup> Source: Technical Briefing to Executive Directors, May 18, 2012. See Annex 2 for complete list.

<sup>7</sup> Source: Table 1, p. 6 of the 2011 Annual Report

being implemented with a view to improving it. It assesses how the actual operations correspond to the original rationale for the initiative, and concentrates primarily on processes and outputs, as well as reviewing whatever outcomes and impacts have been achieved so far.

- 3.2 The ICIM evaluation has three purposes:
- (i) To determine the extent to which ICIM's policy, structure and processes allow it to meet the objectives set by shareholders.
  - (ii) To assess the extent to which implementation to date is transparent, efficient and effective; and to identify areas of strength, weakness and risk.
  - (iii) To make recommendations to Executive Directors, ICIM and IDB management, as appropriate.

#### IV. CRITERIA AND QUESTIONS

- 4.1 The overarching evaluation question is: To what extent are ICIM's policy, structure and operations appropriate and effective for meeting its objectives of increasing the transparency, accountability and effectiveness of the Bank's operations?
- 4.2 This question will be analyzed along six broad criteria, which are anchored in ICIM's objectives and principles, as well as in issues that emerged during preliminary consultations about the evaluation:
- 4.3 **Policy Coherence:** the extent to which ICIM's existing and planned purview, policy, draft guidelines, terms of reference and practices are: consistent with its mandate and objectives, internally consistent, and consistent with other IDB policies such as those on disclosure of information, procurement, human resource management and with IDB's staff rules.
- 4.4 **Organizational Effectiveness and Efficiency:** the extent to which ICIM's structure, organization and procedures for work program planning and budgeting, intake of requests, management of cases and reporting are clearly defined and efficient.
- 4.5 **Transparency:** the extent to which the activities, expenditures and decisions of ICIM are reported to the Executive Board, IDB management and staff and publicly disclosed in a timely way.
- 4.6 **Independence:** the extent to which ICIM's investigations and consultations are free of influence from the Bank's Executive Board and management, any conflicts of interest are disclosed and appropriately managed, and ICIM's actions and decisions are based on evidence and grounded in IDB policy.
- 4.7 **Accessibility and Awareness:** the effectiveness and appropriateness of ICIM and IDB public information activities; potentially affected persons' awareness of how to lodge requests with IDB management and ICIM; the ease of access and practicality of lodging a request within ICIM.

- 4.8 **Results and Consequences:** the extent to which ICIM's work leads, or is likely to lead, to demonstrable outcomes in line with its objectives at three levels: the Bank, the individual project and the affected persons.
- 4.9 [Annex 1](#) provides the detailed sub-criteria and questions, matching each to the planned sources of evidence.

## V. SOURCES OF EVIDENCE

- 5.1 The evaluation will be based on six sources of evidence.
- 5.2 **Literature review.** The extensive literature on Independent Accountability Mechanisms (IAMs) will be reviewed, with a focus on the legal and institutional issues relevant to ICIM. These issues include: IAMs' scope, purview and mandates; their independence and accountability arrangements; the respective roles and relationships of compliance and consultation/mediation; remediation; and the prerogatives and responsibilities of borrowing or recipient countries.
- 5.3 **Benchmarking exercise.** The evaluation team will conduct a systematic comparison of ICIM's purview, policies, structures, functions and processes with those of comparator organizations' IAMs, reflecting any available evaluation findings about the latter.
- 5.4 **Structured interviews.** The team will conduct structured face-to-face, telephone or video interviews with the following people:
- (i) ICIM's current and former staff and panel members
  - (ii) Current and former IDB executive directors
  - (iii) IDB staff and managers for projects that have been the subject of ICIM requests
  - (iv) Government officials in client countries with responsibility for projects that have been the subject of ICIM requests
  - (v) ICIM case requestors
  - (vi) Other stakeholders
- 5.5 **Review of ICIM documents including policy, terms of reference and draft guidelines, and ICIM records** including budgets and expenditure reports, staffing and consultant engagements, case reports, and communication products.
- 5.6 **Review of operational documents** and website material including documents and management responses about the projects about which requests have been made, and general informational materials about ICIM.
- 5.7 **Country reviews.** Country visits will be made in order to gain deeper understanding of how ICIM cases have been handled. Researchers will visit three countries from which at least two ICIM requests have been received<sup>8</sup> yielding an

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<sup>8</sup> Brazil (6 cases), Argentina (4), Columbia (2), Panama (2), Paraguay (2), Costa Rica (1), Mexico(1) and Bolivia (1)

overall mixture of open and closed cases and consultation and compliance review cases. The purpose of the visits are to learn about ICIM's processes and procedures, as well as outcomes as far as applicable, by interviewing officials of government, project implementing agencies and the Bank, and representatives of requesters and other locally affected people.

## **VI. STAFFING**

- 6.1 The evaluation will be conducted under the supervision of OVE's Director by a team that includes the OVE principal advisor, a lead consultant, a research fellow and two or three additional consultants to conduct country visits, review literature and assist with benchmarking.

## **VII. TIMETABLE**

<b>Stages</b>	<b>Dates</b>
PEC review of approach paper	June 2012
Evidence gathering	June – September 2012
Report Writing	October 2012
OVE internal review	October 2012
Evaluation to MICI and IDB Management for comments	November 2012
Evaluation submitted to PEC	December 2012



## ANNEX 1: DESIGN TABLE

This annex lists, for each main criterion, the sub-criteria and evaluation questions, matched with the sources of evidence. All the questions apply to both the consultation and compliance aspects of ICIM responsibilities.

<b>1. Policy Coherence</b>	
Sub-criterion/question	Sources of Evidence
Purview: what are the existing and planned operational policies subject to ICIM oversight ? How does ICIM's purview compare to those of other IAMs?	Benchmarking Interviews with IDB management Document Review
Internal consistency and coherence: To what extent are ICIM's structure, policy, draft guidelines and TORs consistent and mutually reinforcing? Are there aspects of ICIM work not adequately covered by policy or guidelines? To what extent have ICIM's actions been consistent with its policies?	Document Review ICIM records Interviews
Clarity of ICIM's mandate and accountabilities : To what extent are the accountabilities and reporting relationships of ICIM as a whole and its 3 principals clear and unambiguous?	Document Review  Interviews with ICIM and Bank staff and Executive Directors
Management role: To what extent does ICIM policy clearly specify IDB management's role in cases that are the subject of requests ? How does ICIM's policy compare to that of other IAMs?	Interviews with ICIM and IDB management Document Review Benchmarking
Coherence with other Bank policies: To what extent do ICIM policy, draft guidelines and/or TORs mesh or conflict with other IDB policies?	Document Review  Interviews with ICIM and Bank staff
<b>2. Organizational Effectiveness and Efficiency</b>	
Sub-criterion/question	Sources of Evidence
„Last resort“:  To what extent has IDB management been asked, or tried, to resolve cases before and after requests reached ICIM ? What was the outcome of any such efforts ?	ICIM records Interviews with staff
Elapsed times: How long have cases taken at each stage of the ICIM process? How does this compare to other IAMs?	ICIM records Benchmarking
Cost (per case and total) in ICIM personnel time and travel: How much do cases cost and how does this compare to other IAMs?	ICIM records Benchmarking
Time of Bank staff and managers whose operations are reviewed	Interviews

	Country visits
Planning and budgeting: To what extent are ICIM's quarterly and annual plans and budgets prepared on the basis of reliable data and systematic procedures?	ICIM records Benchmarking , Interviews

<b>3. Transparency</b>	
Sub-criterion/question	Sources of Evidence
Transparency of deliberations and outcomes: Is information about the intake, consultation and review processes, and their outcomes, made available in a timely way?	Documents review ICIM records Interviews
Evidence basis of decision-making : To what extent is the basis for each action or decision spelled out and grounded in Bank policy and the evidence gathered?	ICIM records Bank documents and website

<b>4. Independence</b>	
Sub-criterion/question	Sources of Evidence
Independence of appointments: To what extent are ICIM staff and consultants selected on the basis of a transparent and open recruitment process ?  To what extent are staff and consultants free of conflicts of interest vis-à-vis the Bank, client countries or potential requesters?	Interviews Document review ICIM records
Independence of processes:  To what extent are ICIM consultations and investigations both in countries and at headquarters conducted without influence from IDB management and Board ?	ICIM records Interviews Document review Country visits

<b>5. Accessibility and Awareness</b>	
Sub-criterion/question	Sources of evidence
<p>Scope and effectiveness of information effort:</p> <p>What steps do ICIM and Bank management take to inform persons in project-affected areas how to lodge a request related to IDB policy? How effective have these steps been ?</p>	<p>ICIM records Bank documents and website Interviews</p>
<p>Awareness of ICIM :</p> <p>To what extent are Bank staff, client officials and communities in project-affected areas aware of ICIM ?</p>	<p>Country visits</p>
<p>Accessibility of ICIM process:</p> <p>To what extent have actual and would-be requesters found it practical to contact and submit a request to ICIM? How many requesters have requested anonymity and why? For those who requested it, how did ICIM respond?</p>	<p>Country visits ICIM records</p>

<b>6. Results and Consequences</b>	
Sub-criterion/question	Sources of Evidence
<p>Requester perspective:</p> <p>For both eligible and ineligible requests, to what extent did requesters understand the disposition of their request [or its current status, if not yet completed]? Do they consider their request to have been satisfactorily handled?</p>	<p>ICIM records Interviews Country visits</p>
<p>Implementing agencies" and other parties" perspectives:</p> <p>For both eligible and ineligible requests, to what extent did implementing agencies and local stakeholders understand the disposition of the request [or its current status, if not completed] ? Do they consider the request to have been satisfactorily handled?</p>	<p>Interviews Country visits</p>
<p>Consequences for Bank management :</p> <p>Has ICIM recommended remedial measures or issued lessons and/or recommendations for Bank management? If so, to what extent do these concern Bank policies, practices and/or staff conduct?</p> <p>To what extent has management implemented any recommended remedial measures in response to ICIM findings, or developed lessons or remedial measures on its own?</p>	<p>ICIM records Management response Interviews</p>

**ANNEX 2: ICIM CASES OPENED AS OF JUNE 30, 2012**

	Country	Year	Status	ICIM Case	Consultation Phase (CP)	CP Stage <sup>1</sup>	Compliance Review Phase (CRP)	CRP Stage <sup>2</sup>
1	Brazil	2010	<b>Closed</b>	Estrada Nova Watershed Sanitation (PROMABEN)	Eligible	Agreement or Parties Opt Out		
2	Brazil	2011	Open	Rodoanel Mário Covas - Northern Sections 1 and 2	Eligible	Problem Assessment		
3	Brazil	2011	Open	Urban Development of São José dos Campos	Eligible	Problem Assessment		
4	Brazil	2011	Open	Low-Income Neighborhood Improvement Program – Habitar Brasil	Eligible	Problem Assessment		
5	Brazil	2011	Open	Brazil - Mario Covas Rodoanel Project - Northern Section 1	Ineligible	Terminated	Eligible	Eligibility
6	Brazil	2010	Open	Program for Social-Environmental Recovery of the Serra do Mar and Sistema de Mosaicos of the Mata Atlântica	Ineligible	Terminated	Under review	
7	Argentina	2010	<b>Closed</b>	Argentina - Programa de Mejoramiento de Barrios II (PROMEBA II)	Ineligible	Terminated		
8	Argentina	2010	<b>Closed</b>	Provincial Agricultural Services Program II (PROSAP II)	Eligible	Agreement or Parties Opt Out		
9	Argentina	2012	Open	Agrifood Health and Quality Management Program (CCLIP)	Eligible	Eligibility		
10	Argentina	2010	Open	Multiphase Development Infrastructure: Support Production Entre Ríos	Eligible	Consultation or Mediation		
11	Panama	2011	Open	Panama Canal Expansion	Eligible	Eligibility		
12	Panama	2010	Open	Pando-Monte Lirio Hydroelectric Power	Eligible	Agreement or Parties Opt Out	Eligible	Investigation
13	Paraguay	2010	<b>Closed</b>	Development of the Industry of Products of the Vegetable Sponge	Eligible	Agreement or Parties Opt Out		
14	Paraguay	2010	Open	Program to Improve Highway Corridors in Paraguay	Ineligible	Terminated	Eligible	Investigation
15	Colombia	2011	Open	El Dorado International Airport	Eligible	Eligibility		
16	Colombia	2011	Open	San Francisco-Mocoa Alternate Road Construction Project - Phase I	Eligible	Eligibility		
17	Bolivia	2011	Open	Rurrenabaque-San Buenaventura Bridge	Eligible	Problem Assessment		
18	Costa Rica	2010	<b>Closed</b>	Electric Interconnection System for the Central American Countries (SIEPAC)	Eligible	Agreement or Parties Opt Out	Ineligible	Terminated
19	Mexico	2011	<b>Closed</b>	Termoeléctrica del Golfo Project	Ineligible	Terminated	Ineligible	Terminated

Source: Based on MICI's website.

<sup>1</sup> CP Stages: Eligibility, Problem Assessment, Consultation or Mediation, Agreement or Parties Opt Out and Terminated.

<sup>2</sup> CRP Stages: Eligibility, Pre-Investigation, Investigation, Final Decision and Terminated.