



IDB's Environmental and Social Grievance Protocol

2022 ANNUAL REPORT

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IDB's Grievance Protocol: A new channel to address environmental and social grievances in IDB-financed projects

IDB's Environmental and Social Policy Framework (ESPF), approved on September 16, 2020, provides IDB's clients with ambitious environmental and social standards and leading-edge provisions to tackle environmental and social (E&S) issues in IDB-financed projects.

Project-affected people have three channels¹ to submit complaints related to E&S aspects of an IDB-financed project:

- 1 A project-level grievance mechanism operated by the Borrower or any other local grievance mechanisms.
- 2 Contacting the IDB directly, through its Grievance Protocol launched in November 2021.
- 3 The Independent Consultation and Investigation Mechanism (MICI), an independent mechanism to address grievances as a last resort instance. MICI is independent of IDB Management and reports directly to the IDB Board of Executive Directors.

The IDB's Grievance Protocol provides a channel for stakeholders to contact the IDB directly when interested in filing a complaint about the E&S performance of IDB projects. The Grievance Protocol is an internal process that establishes the implementation procedures, steps and actions, timing, responsibilities, and resources needed to address grievances sent directly to the IDB.

¹ Claimants do not need to access the project-level mechanism before submitting their grievances to the IDB.



The IDB Grievance Protocol applies when a grievance meets both of the following criteria: (i) it is related to an IDB operation that is in preparation, approved, in execution, or within 24 months after the last disbursement; and (ii) it is related to environmental and/or social aspects of an operation.

Any affected person, group, or stakeholder interested in filing a grievance (hereby called “the complainant”) about an environmental and/or social issue on an IDB operation may contact the Bank, regardless of whether they have used any other local or project-level mechanism to present their concerns.

Although not a pre-requisite, stakeholders are also encouraged to utilize the respective project-level grievance mechanism, if appropriate. Notwithstanding this, there may be occasions where the complainant is uncomfortable raising the complaint through the Executing Agency (EA) project-level grievance mechanism and may prefer to contact the IDB to present a grievance directly, for example, for fear of retaliation, prosecution, or discrimination or their security and health. The IDB grievance process analyzes these instances at the complaint’s intake to assign a fast-track process to those cases which may represent an imminent risk to the complainant, the environment, or others.

To learn more about what to expect after submitting a complaint, [here](#) is a step-by-step guide to the IDB protocol describing the information gathering and dialogue processes to efficiently solve and address potential solutions to a complaint. This Annual Report includes an overview of complaints received in 2022, key themes and lessons learned from the first year of implementation, and information on how to reach us.

PROTOCOL FOR MANAGING ENVIRONMENTAL AND SOCIAL GRIEVANCES IN IDB-FINANCED PROJECTS

At the Inter-American Development Bank (IDB), we strive to serve you in the best way, so that you receive a solution to your complaint as quickly as possible.

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3 | Assessment and Response >

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START >

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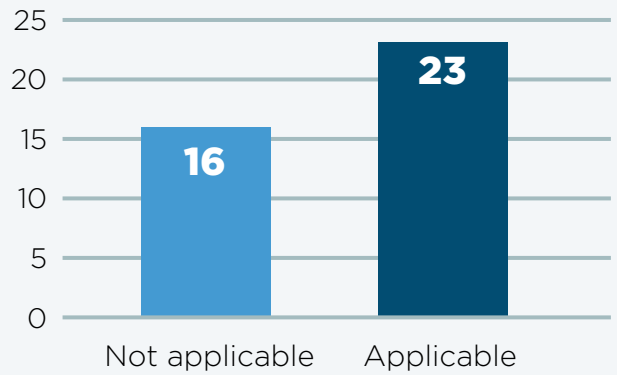
2022 Statistics

Grievances received

The IDB received 39 grievances during its first year of implementation in 2022. The protocol was deemed applicable to 59% of the grievances received (23 out of the 39).

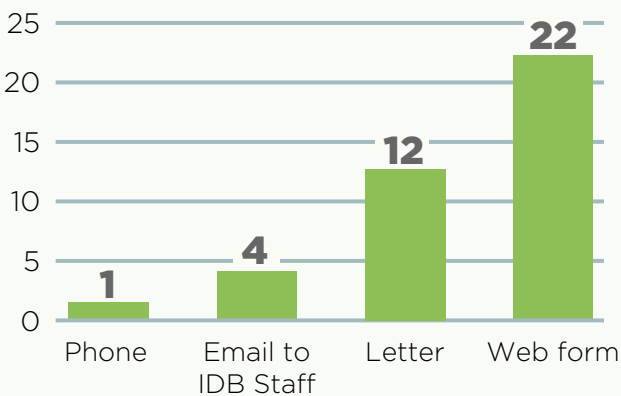
Of the remaining 16 grievances not processed by the protocol, 11 were duplicated cases, and the remaining five were unrelated to environmental and social topics or IDB-financed operations. As such, those grievances found not to be within the scope of the grievance protocol. They were referred to the appropriate units at the IDB when appropriate.

FIGURE 1
*Grievances received by the IDB in 2022**



*Q1 includes two grievances received in November-December 2021.

FIGURE 2
Grievances received by the IDB in 2022



Submission Channels

Complainants sent most grievances (22 out of 39) through **IDB's online complaint form**, which reflects IDB's efforts to disseminate this channel. Complainants also use other channels such as letters sent to the IDB offices (12); emails to IDB staff (4); or phone calls (1).

The IDB does not limit the channels to submit grievances. Grievances can be submitted through any means, including, but not limited to the ones mentioned above.

Location

Of the 23 grievances addressed through the grievance protocol, seven were related to operations in Peru, seven in Colombia, three in Paraguay, three in Argentina, two in Brazil, and one in Chile.

FIGURE 3
Grievances by country

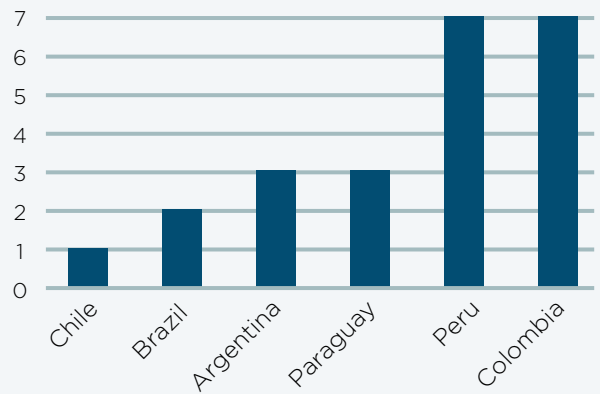
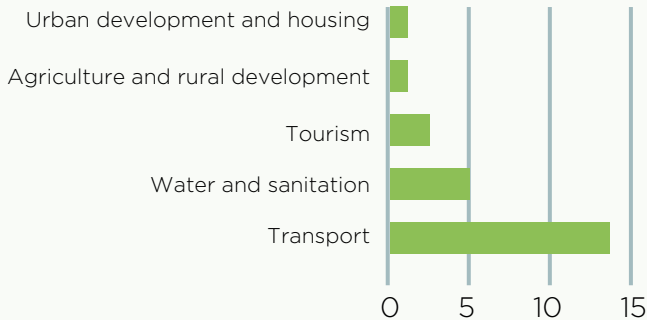


FIGURE 4
Grievances by thematic sector



Sectores temáticos relacionados

Transport was the thematic sector with more applicable cases, with 14 grievances in 2022. It is followed by water and sanitation with five, tourism with two, and agriculture and urban development with one each.

Related projects

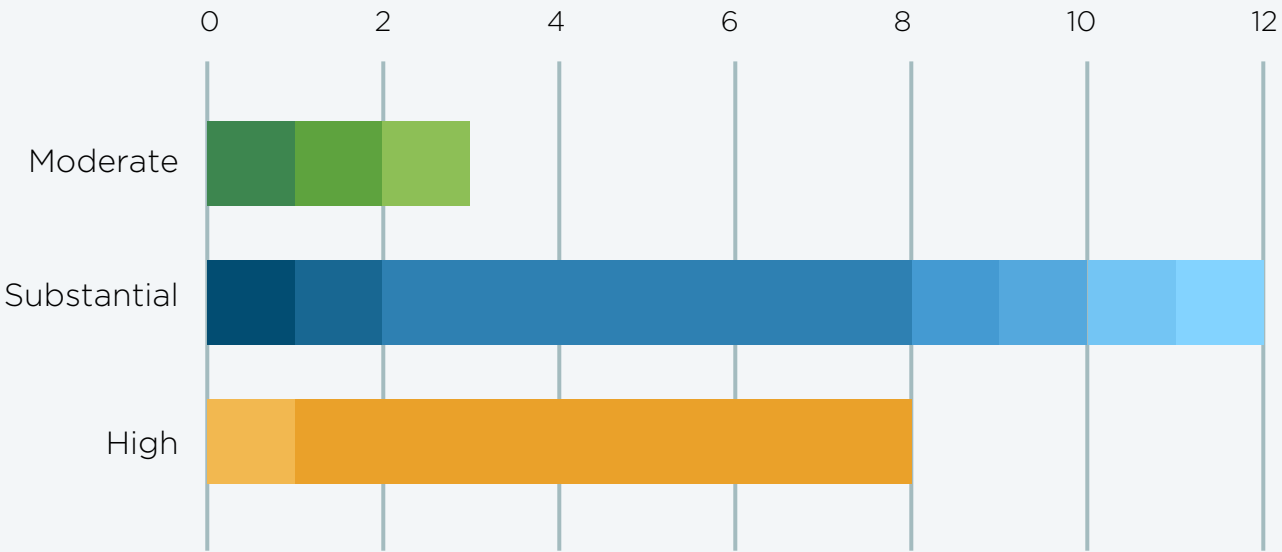
Most of the grievances that were processed under the protocol were related to active projects (19 out of 23). A small proportion (3 out of 23) were related to closed projects, and one was related to a project already fully disbursed but not closed.

Most related projects with grievances have substantial environmental and social risks (seven projects with 12 related grievances) followed by projects with high risks (2 projects with eight related grievances) and projects with moderate risks (three projects with one grievance each). There were no grievances related to low-risk projects.

Lastly, 16 grievances were related to projects considered specific investments (with a specific purpose and interdependent components). The remaining seven were related

to multiple works programs (designed to finance groups of similar works that are physically independent of one another and whose feasibility does not depend on the execution of any given number of the works projects).

FIGURE 5
Grievances by project's E&S risk classification ²⁻³



² The IDB assigns a risk classification based on a four-level risk rating: low, moderate, substantial, or high. This risk classification is reassessed throughout the project cycle and adjusted in accordance with the developments and circumstances of project's implementation.

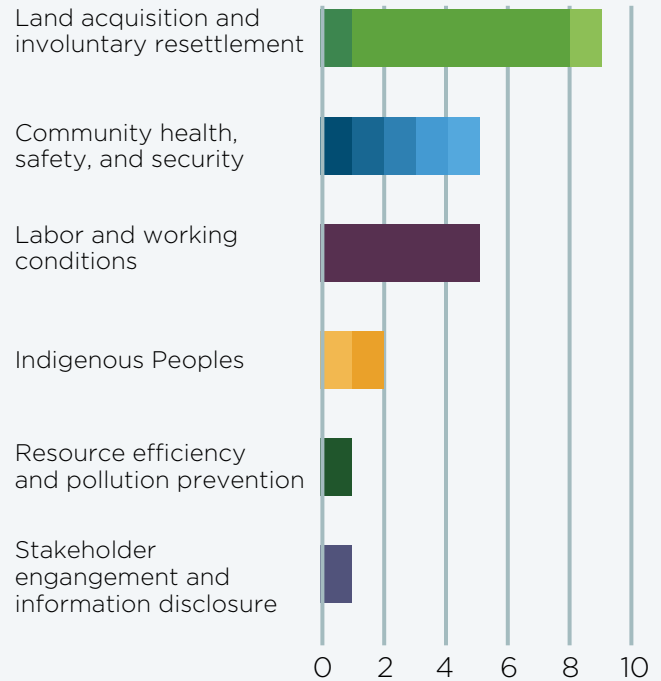
³ Each colored block represents one single IDB-financed project.

Key themes

Land acquisition and involuntary resettlement were the most frequent topics of the received grievances, with nine grievances in three operations in Colombia (seven out of nine cases), and Peru and Brazil with one case each. One operation in Peru received five complaints in relationship to labor and working conditions in relationship to labor and working conditions.

Five operations received one grievance each in topics related to community health, safety, and security (three operations in Argentina, one in Brazil, and one in Paraguay). One operation in Peru and one in Paraguay received one grievance each related to Indigenous Peoples. Finally, one grievance was related to stakeholder engagement in an operation in Chile; and one was related to resource efficiency and pollution prevention in a project in Paraguay.

FIGURE 6
Key themes ⁴



Land acquisition and involuntary resettlement

In most of these cases, complainants alleged inadequate compensation for the acquisition of residential properties or commercial assets that required an assessment of loss of income and livelihoods.

Other complainants alleged delays in receipt of compensation payments, while others alleged planned forced evictions without proper compensation. One complainant alleged the municipality charged them a higher rent than originally agreed for using a space for their commercial activities.

⁴ Each colored block represents one single IDB-financed project.

The IDB project teams worked with Borrowers to thoroughly review the complaints and engage with complainants to ensure their complete understanding of their compensation entitlements under national, state, and local laws and IDB policies. In certain cases, to support decision-making and dispute resolution, the Bank conducted thorough diagnostic and economic evaluations of compensation plans, to address the complainant's concerns.

By the end of 2022, three out of nine land acquisition and involuntary resettlement grievances were closed satisfactorily after all agreed compensations were disbursed by the project's EA. Two had agreed satisfactorily on disbursement plans that were still not executed and were being monitored by the IDB. Two were still in the assessment and response stage with an open dialogue with the Borrower and complainants. One was transferred to MICI per the complainant's request. The remaining one was closed without an agreement with the complainant since the recognition of the loss of income was not possible due to inconsistencies in the complainant's financial statements.



Labor and working conditions

The IDB received five complaints about labor and working conditions in one operation in Peru in 2022. All five complainants alleged the non-payment of wages or other compensation and initially requested confidentiality. Without disclosing the personal information of the complaints, the IDB contacted the Borrower to review the unpaid wages situation of the third-party sub-contractor. Seeking solutions to these claims became complex because the subcontractor's debt situation was systematic. The Borrower committed to monitoring the subcontractor's debt action plan to fulfill its financial obligations to all affected workers.

The subcontractor's action plan stipulates that once it verifies the debt documentation, it makes payments to groups of people. This schedule means

claimants could have to wait a significant amount of time to receive their payments. The IDB project team held periodic follow-up meetings with the Borrower to monitor the action plan. Complainants also authorized the IDB to use their names to inquire about their payments. At the end of 2022, two out of five grievances were closed with the disbursement of payments. The remaining three cases remained open pending resolution from the subcontractor.

Community health, safety, and security

The IDB received five community health, safety, and security grievances. Four were related to sanitation projects alleging potential harm to the quality of life due to noise, odors, waste, or other environmental impacts from the execution of works. Others also claimed that the project did not have the proper channels to engage with stakeholders. One of the cases also included concerns about works that were out of the project's scope. One grievance was related to a tourism project, where the claimant alleged harm to the quality of life and material damages due to the execution of sanitation works within the project.

At the end of 2022, one grievance was closed without an action plan. In this case, the project team provided the environmental information requested by the complainant. Two grievances were transferred to MICI per the complainants' request. The remaining two were still in the assessment and response stage with an open dialogue with the Borrowers and the complainants.



Indigenous Peoples

The IDB received two grievances related to Indigenous Peoples. One was related to a forestry operation in which an Indigenous Nation contacted the IDB not to be excluded from the stakeholder engagement process of the project. This case was classified as "ongoing engagement" since it requires continuous engagement with the Indigenous representatives throughout the project's lifecycle. The other is a grievance from an external stakeholder related to a rural road project. The complainant requested the IDB to review the environmental and social effects of the program on the local Indigenous people and their resources. The IDB project team has provided the complainant with the information on the project's environmental and social due diligence, and the Indigenous Peoples' plans agreed with the local Indigenous representatives. The team has also taken note of their concerns to inform the supervision of the operation. This complaint continues in the assessment and response stage with an open dialogue with the Borrowers and the complainants.

Stakeholder engagement and information disclosure

The IDB received one grievance related strictly to stakeholder engagement and information disclosure. The complainants requested to revise the stakeholder engagement process of a neighborhood improvement program. IDB's project team met with the complainants, and thanks to this dialogue, the program's local grievance mechanism was improved to provide better access to the neighbors. Although the claim included concerns not attributable to the IDB-financed program and outside the intervention area, the IDB team considered this an excellent opportunity to support the neighborhood residents. A work plan was developed with the community to prepare a Proposal for a Healthy and Creative Local Economic Development of the Neighborhood. These activities have IDB's technical support and are being monitored until their conclusion.

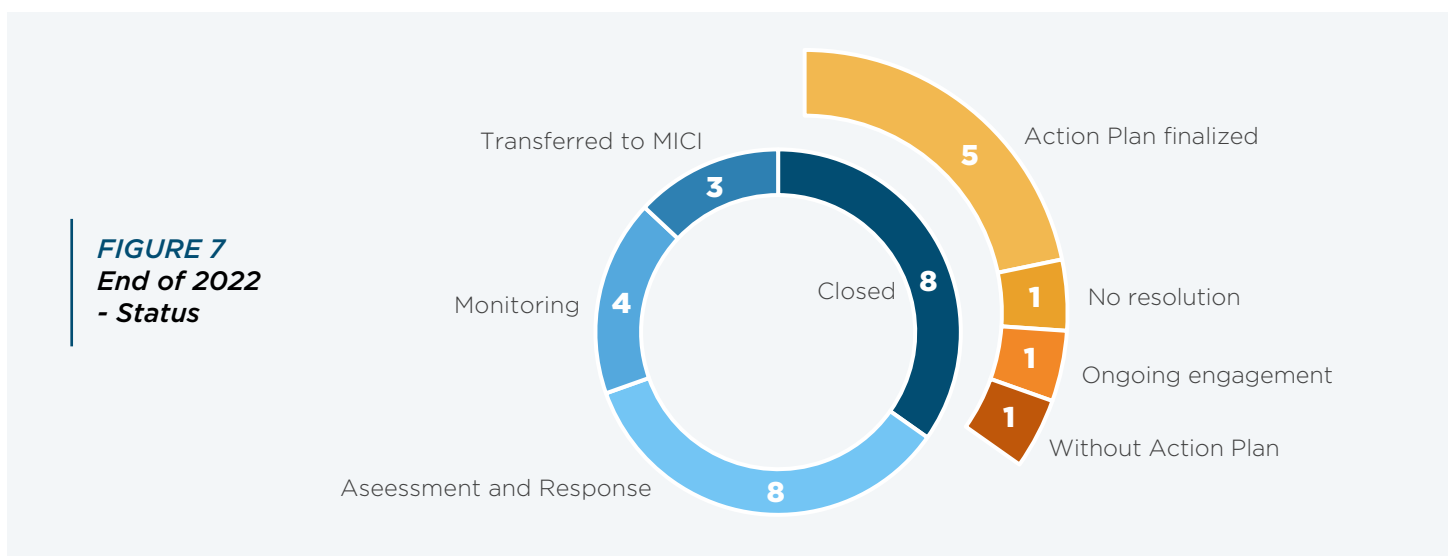
Resource efficiency and pollution prevention

The IDB received a grievance related to a Sanitation and Drinking Water Program. The complainants requested the IDB to conduct an environmental audit, alleging mainly odor problems generated in the wastewater treatment plant. The wastewater plant was already built and is currently in operation. IDB's team dialogued with the claimant and agreed to conduct an exhaustive technical analysis to determine the situation's cause. The Bank is monitoring these activities until their conclusion.

End of 2022 - Status

After the IDB determines the protocol is applicable to a grievance, IDB project teams initiate a dialogue process with the claimant and the executing agency, when appropriate. This stage is called “assessment and response”. Afterwards, the IDB may close a grievance in various circumstances. Ideally, a grievance can be closed when the actions agreed with the complainant to address the issues raised are satisfactorily implemented. The IDB monitors the implementation of the agreed actions (“monitoring stage”) and only closes the grievance when are completed. In some cases, no actions are required if the process provides a response that satisfies the complainants’ request (“closed without an action plan”). The IDB may also close a grievance when a continuous engagement is required throughout the project’s lifecycle (“ongoing engagement”). Finally, if a grievance was not resolved through the process outlined in the protocol, the IDB informs the complainant of the reasons and the other available channels to access if desired, including MICI, (“closed without resolution”).

Figure 7 presents the status of grievances by the end of 2022. It took on average 108 business days to close a grievance in 2022. Eight grievances were closed. Of those, five finalized their action plans satisfactorily, one did not require an action plan, one required ongoing engagement, and in one, it was not possible to agree on a solution. Eight continued the dialogue under the “assessment and response” stage; four advanced to the “monitoring stage,” meaning they have an ongoing action plan; and three were transferred to MICI as per the complainant’s request.



Lessons learned

Concluding this first year of addressing grievances through the protocol allowed us to reflect on what has been successful or not in building solutions with complainants and Borrowers. These are some areas of improvement in the processes and functioning of the protocol:



Processes

Promoting institutional consistency and cross-fertilization across project teams when responding to complaints. As we acquire more experience applying the grievance protocol, the IDB can use the knowledge accumulated by project teams to strengthen and standardize the capacities of our personnel to prevent and manage socio-environmental conflicts. During 2023, the IDB will continue building its project teams' capacity and skills for preventing and dealing with socio-environmental risk related grievances.



Timelines

Reviewing timeframes for each stage of the complaint-handling process to ensure they are suitable. The IDB aims to ensure we are addressing complaints expeditiously and efficiently. We also recognize that, in some instances, dialogue processes may take time to build trust and consensus. During 2023, the IDB will continue to engage promptly with complainants following a risk-based approach to address grievances.



Systems

Allowing for more human interaction and less automatization.

When conceiving the protocol, the IDB developed a secure case-management system to receive, register and handle the complaints. The system delivers a series of automated replies to the complainants to alert them of the grievance's status. It also included an online community space to access their complaints. Although the system has been very beneficial from a case-management perspective, the automated responses confused some complainants who had already directly engaged with IDB project teams. During 2023, we will revise what automatic responses are necessary and which could be excluded to give space for more human interaction.



Relation with other grievance channels for IDB-financed projects

Since the protocol's inception, the IDB has worked along IDB Invest and MICI to build awareness among internal and external audiences of the three available channels to address grievances in our institutions: (project-level mechanisms, contacting IDB or IDB Invest, access MICI as a last resort mechanism). The IDB encourages using project-level mechanisms when appropriate, as they could be the faster path to a resolution. In occasions where the complainant is uncomfortable raising the complaint through the EA project-level grievance mechanism, the IDB provides a secure channel to address concerns and build solutions. Finally, complainants can also contact [MICI](#), an accountability office independent from project teams, which facilitates dispute resolution processes to resolve the issues raised. It also conducts independent investigations to determine whether the IDB Group has met its standards and to improve Group practices. The IDB implemented dissemination activities for staff and stakeholders, including civil society, to inform them about these channels and will continue to do so during 2023.

How to reach us

Our mission is to improve lives in Latin America and the Caribbean with integrity and sustainability. Therefore, all our activities follow the highest environmental and social standards. The IDB's Grievance Protocol team is available to explain the process of filing a complaint with us, as well as to receive environmental and social concerns and complaints about projects financed -or to be financed- by the IDB.

You can reach out to the IDB's Grievance Protocol team by:



Using our
[online form](#)



By mail:
1300 New York Ave NW,
Washington, DC 20577, or any
of the IDB's Country Offices.



Emailing us at
quejas@iadb.org

