A YEAR OF TRANSITION

Annual Report 2021
Independent Consultation and Investigation Mechanism
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Independent Consultation and Investigation Mechanism
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As the leading provider of development finance for Latin America and the Caribbean, the IDB Group offers not only financing, but also a wealth of knowledge, tools, and good practice to share with the LAC region. A key area of expertise that the IDB Group has strengthened in recent years is environmental and social sustainability. The Independent Consultation and Investigation Mechanism (MICI) is an important part of the IDB Group’s toolkit to ensure that environmental and social considerations are central to enhancing the IDB Group’s contributions to the region’s development.

In 2021, the IDB Group approved a new Environmental and Social Policy Framework (ESPF) which places the IDB Group at the vanguard of Multilateral Development Banks. The new Framework sets ambitious new standards, places respect for human rights at the centre of its environmental and social policies, and includes a specific, stand-alone standard on gender equality. By helping to ensure compliance with the ESPF, MICI serves as a key accountability mechanism for the IDB Group. Indeed, with the new ESPF in place, MICI’s work is more important than ever. In addition to verifying compliance with the IDBG’s relevant Operational Policies, MICI has also begun to draw on its knowledge and experiences to compile lessons learned and best practices which are an invaluable resource not only for the IDB Group, but for its clients and other stakeholders.

As MICI embarks on its second decade, we look forward to collaborating with MICI to continue to strengthen its work to maximize the positive development impact of the IDB Group’s activities in Latin America and the Caribbean.

Awareness of the social responsibility and accountability of international financial institutions has grown significantly in recent decades. Today, more than ever, we understand that development can only be truly effective if it considers the social, economic, institutional, and cultural realities of the countries and communities we aim to serve. Our effectiveness is measured not only by our contribution to improving the present but, most especially, by assessing how we ensure that we leave a better world for future generations.

The IDB Group is mindful of this vision and commitment to our region. Since its creation in 2010, MICI has been instrumental in enhancing the accountability of the entire Group. However, during this past year, in its independent analysis of the Mechanism’s work, the Office of Evaluation and Oversight has focused on one core aspect: all of us at the IDB Group, from the Board of Executive Directors to the project teams, are jointly responsible for ensuring that all of our operations are socially and environmentally sustainable. We all have our own role to play in this shared responsibility. MICI is the last link in a long chain of governance to remedy potential unintended harm and to generate lessons that contribute to more effective accountability. But we can still do more. I trust and hope that in the coming years, based on OVE’s recommendations and with the new MICI leadership, the Mechanism will have an even greater impact on the entire Group and a substantial positive impact reflected in the effectiveness of the IDB Group’s actions and projects in Latin America and the Caribbean.
A year of transition

2021 has been a year of momentous change for MICI. In another year marked by the extraordinary circumstances of the COVID-19 pandemic and the ensuing challenges to case management and activities overall, we also saw changes in our team. This included the departure of the compliance review phase coordinator, Arantxa Villanueva, and several consultants from both phases, as well as my arrival as the new MICI director. For me, it has been a year of learning about the IDB Group’s vitally important development work in the region and the many challenges that lie ahead. But from day one, I have enjoyed the warm welcome and constant support of the entire MICI team, the Board of Executive Directors, IDB and IDB Invest Management, requesters, civil society, and colleagues from peer institutions. I feel immensely fortunate for all this support and learning, and I thank you all for it.

In this first year, I have tried to take the best of the legacy and experience of MICI’s first decade while also, listening to all voices, identifying opportunities to make the Mechanism even more robust and effective. Particularly important in this analysis was the external evaluation conducted by the Office of Evaluation and Oversight (OVE) over more than two years, the conclusions of which were published just after my arrival. Its diagnostic assessment, with a comprehensive approach to the IDB Group’s accountability, and its five recommendations have charted a path of continuous improvement with clear markers, such as eliminating the legal exclusion that limited the eligibility of cases for a MICI process, strengthening the Mechanism’s independence, and coordinating with the IDB and IDB Invest grievance mechanisms, among others. Confident that the OVE report would be key to the strengthening of MICI, as its first evaluation was in 2012, we immediately set in motion an action plan that will allow us to advance over the next five years in strengthening the accountability system of the IDB Group and the environmental and social outcomes of the projects it finances.

There has also been significant progress this year in the cases we have handled. The number of new complaints has returned to normal after the drop we saw in the first year of the pandemic, and the efforts of MICI and our partners to compensate for the added complexity of remote management have paid off. At the conclusion of each case, we have made it a regular practice to hold reflection meetings with all the parties involved, identifying valuable lessons learned and specific points for improvement. This year we also completed a compliance review in Guatemala that was very complex technically and involved significant innovations for MICI, such as the first recommendation for a responsible exit. This key concept forces us to reflect on possible environmental and social liabilities that projects sometimes leave behind and what will happen to them if the institution withdraws its funding from a project or the relationship ceases to exist for any reason.

Along with these advances, MICI has had the unwavering support of the Board of Executive Directors, which has played a fundamental role in this transition stage and in the consolidation of the MICI team. The Board approved a new organizational structure for the Mechanism, adding positions in the consultation and compliance review phases to provide MICI with greater stability, strengthen its capacity to better serve the region’s communities, and ultimately have a greater impact both within and outside the institution. We are confident that this new structure will strengthen us and help us to meet the challenges before us. MICI has also stepped up its efforts to promote access and build relationships with stakeholders, both to seek better coordination with IDB and IDB Invest Management and to engage and work more closely with complainants, communities in the region, and civil society organizations.

All these factors, built on a collective body of work spanning more than a decade, have brought us to an inflection point for the Mechanism. We are building on a solid foundation that has been tested by the first OVE evaluation and strengthened by the subsequent policy change and the painstaking institutional consolidation of MICI under the leadership of Victoria Márquez-Mees and Arantxa Villanueva. This second evaluation reflects the progress made, and today we are in a better position to help MICI better reach and serve the communities in the region that need us, and to play a significant role in strengthening compliance with the environmental and social policies of the IDB Group, the sustainability of its projects, and the social and environmental responsibility of all its operations. I expect that all the efforts of 2021, which we detail in this report, will allow us to continue building a stronger, more open, and more efficient MICI at the service of Latin America and the Caribbean for many years to come.

Andrea Repetto
MICI Director
Over 3,600 people attended the 27 events in which the mechanism participated in 2021, both with the IDB Group and with external audiences.

The Compliance Review Phase managed four cases. The first case to complete all the stages of the Phase outlined in the policy was closed. An investigation was completed and two action plans with corrective measures are being monitored.

The Consultation Phase handled 10 cases: four new ones and six received in previous years. Agreements were reached in half of the cases that started a dialogue process this year.

MIIC managed 29 complaints in 2021. Three refer to IDB Invest-financed projects and the rest refer to IDB-financed projects. During the year, MIIC completed its processing of 17 of these 29 complaints.

In 2021, the Mechanism received 19 new complaints 44% more than the average of the last 6 years, when the current MIIC policy came into effect. This is the highest number of complaints received in a single year since 2015. The management of 73% of the new complaints concluded at the registration or eligibility stages.

In 55% of the cases that MIIC managed in 2021, complainants expressed fear of reprisals. This year, risk analyses have been carried out for 13 complaints.
Second MICI evaluation

The Office of Evaluation and Oversight (OVE) issued its evaluation of MICI in April. It found significant progress in the functioning and consolidation of the Mechanism and made five recommendations to strengthen the accountability of the IDB Group. MICI has developed an action plan with 17 actions that have already begun to be implemented.

Remote management during COVID-19

Pandemic-related travel restrictions have brought additional challenges to the remote management of all cases, for the second year in a row. Even so, agreements were reached between the affected communities, project managers, and the Bank in two active dialogue processes in the Consultation Phase. Another case was successfully closed, with all agreed items implemented.

Responsible exit

The Compliance Review Phase is monitoring two management action plans to address the findings regarding two complaints. In the investigation completed in 2021, MICI recommended, for the first time, that environmental and social corrective measures be included even if IDB Invest were to withdraw from the projects.

Strengthening ties

Given the pandemic situation, MICI has intensified its regular contact with civil society organizations (CSOs) in the region and other key actors. In addition to the second meeting with Caribbean entities, MICI has expanded its collaboration with academic institutions and experts in mediation, accountability, and sustainability in development projects — all 100% virtually.

New leadership

In March, Andrea Repetto Vargas, a Chilean lawyer with over 15 years of experience in accountability mechanisms, took over as the director of MICI after a competitive selection process. The main objectives Repetto set for this first year were to strengthen the accessibility and openness of the mechanism and to enhance institutional learning. At the same time, Arantxa Villanueva, who served as the Compliance Review Phase coordinator since 2016 and as interim director since July 2020, ended her nine-year tenure at MICI.
In Consultation Phase

First complaint with remote monitoring successfully completed

In August, the complaint regarding the pedestrianization project for downtown San Carlos de Bariloche, one of Argentina’s main tourist destinations, was closed (MICI-IDB-AR-2019-0144). Although the key commitments of the agreement were fulfilled within a few months, MICI continued to monitor the implementation of other more complex aspects, such as developing a mobility plan for the city. More information can be found in this fact sheet.

Reaching agreements from over 6,000 km away

The Consultation Phase received four new complaints this year, which began their assessment process and dialogue completely virtually. Agreements were reached between the parties in two of these cases. One of them will improve access roads to the indigenous territories of Ujarras and Salitre, in Costa Rica (MICI-IDB-CR-2021-0171). The other agreement covers five central aspects of the Development Program for Metropolitan Areas Outside the Capital in Granadero Baigorria, Santa Fe, Argentina (MICI-IDB-AR-2021-0164).

Developing innovative virtual dialogue processes

Since 2020, the Consultation Phase has been facilitating — entirely remotely — a dialogue process about the construction of the 4G Ruta del Cacao toll road in Colombia (MICI-CII-CO-2019-0152). Partial agreements were reached in 2021, thanks to the determination and efforts of all parties involved to overcome a complex situation aggravated by the pandemic. The creation of different committees to address specific issues raised in the complaint and a new hybrid format combining in-person and virtual field visits have been key to achieving this progress.

Following through with agreements

Reaching an agreement is important, but the work of the Consultation Phase does not end when the parties sign an agreement. Rather, this point marks the beginning of the second part of the process, which requires constant dedication and follow-up over several years to ensure full compliance with the agreed points. When delays and unexpected situations arise, or a commitment falters, the Phase arranges both bilateral and plenary sessions to seek solutions and remedy the situation. In 2021, the seven agreements in the monitoring stage required 22 plenary meetings and many more bilateral meetings; and in the Ruta del Cacao case, while working to reach a final agreement, six plenary sessions and 10 meetings of the two working committees were held to monitor the partial agreements.

Navigating complex environments

In Haiti, MICI is monitoring compliance with the agreement reached on the Caracol Industrial Park in December 2018 (MICI-IDB-HA-2017-0114). Despite the fragile country context and the added complexity of the pandemic, progress was made toward one of the central commitments in 2021, namely the delivery of land to rural families.
In Compliance Review Phase

The first case to go through all the stages of the phase

The Metrobus case (MICI-IDB-PR-2016-0101) was the first one in which the Board of Executive Directors requested an action plan for the Bank to implement the recommendations of the MICI investigation and instructed the Mechanism to monitor it. This was also the first case that followed the full course provided for in the current policy for a compliance review process.

However, the preparation of the action plan took over two years while the local authorities reconsidered the project and the Metrobus component — which had been the main subject of the MICI complaint. This experience provided lessons that have been applied in subsequent investigations.

One more step toward environmental and social sustainability

The investigation related to two hydroelectric projects in Guatemala (MICI-CII-GU-2018-0136) introduced an important new consideration to ensure the social and environmental responsibility of IDB Group projects. In some previous cases, such as the Metrobus case, MICI’s action plans or recommendations could not be fully implemented because the project was modified or the IDB stopped financing it. The IDB Group’s exit from the projects effectively limits the ability to remediate or implement corrective measures.

This is why the Guatemala investigation included a responsible exit clause in its recommendations. If project developers decide to cancel a project, or if the IDB Group stops financing an operation, the corrective measures proposed in the investigation can remain in place. In this particular case, MICI also recommended that a transition plan was carried out in consultation with the indigenous communities that filed the complaint. The investigation report has been translated into the Chuj and Q’anjob’al Mayan languages to make it more accessible to the complainants.

Carrying out a remote investigation

The ongoing pandemic has made it impossible for the experts investigating the Ituango hydroelectric project in Colombia to conduct their field visit, which had initially been scheduled for the second quarter of 2020. The phase has nonetheless made progress, analyzing the extensive case documentation and conducting multiple virtual interviews in anticipation of being able to complete the field investigation.

Changes in the team

Arantxa Villanueva, the Compliance Review Phase coordinator since 2016 and acting director from July 2020 to March 2021, joined the African Development Bank’s accountability mechanism in June, after nine years at MICI. The Mechanism is grateful for Arantxa’s hard work and dedication, as she played an important role in the institutional consolidation of the Phase and of MICI. After a competitive process that concluded in November, Katty Araya was selected to serve as the new Phase coordinator and joined the team in January 2022.
In access promotion

Achievements in 2021

More than 3,300 participants in 20 external events
New formats for exchanges within the IDB Group, with more than 280 participants
Two new products based on case experiences

Working with civil society

During the year, MICI held nine meetings with CSOs in the region to learn more directly about the impact of COVID in different communities, listen to their concerns, and exchange views on the progress of the Mechanism’s activities, the results of the OVE evaluation, and the action plan designed by MICI.

As in previous years, informational workshops have also been held — virtually — with countries such as Brazil, Guatemala, Honduras, and El Salvador. This year, for the first time, a two-day regional workshop was organized with several Caribbean countries, in collaboration with the accountability mechanism of the Caribbean Development Bank and the participation of the Social and Environmental Compliance Unit (SECU) of the United Nations Development Programme (UNDP) and the World Bank and IFC/MIGA mechanisms.

Ensuring that the Mechanism is known and accessible to all people and communities that may be affected by development projects is a key consideration for MICI — and, by extension, the IDB Group — to fulfill its mission. The recent OVE evaluation underscores this crucial point, on which MICI has been working tirelessly in recent years.

Due to the pandemic, the access promotion activities that MICI has facilitated with civil society organizations (CSOs) and communities in the region have continued to be carried out virtually. The Mechanism has also strengthened ties with academic institutions, professional dispute resolution and research organizations, as well as public and private sector institutions and other peer mechanisms, reaching over 3,600 people during the year.
Knowledge sharing with the IDB Group

One thing the OVE evaluation called for was improved coordination between MICI and IDB and IDB Invest Management. So, besides our recurring activities, this year we intensified our work with strategic sectors of the Group. For example, knowledge-sharing sessions were held on environmental and social issues, including the preventive work of the IDB and IDB Invest risk teams and the independent perspective of MICI.

MICI also participated in onboarding sessions for new staff members of both the IDB and IDB Invest. In the case of the IDB, for the first time, the presentation was made with a comprehensive approach, in coordination with the Bank’s new grievance management system. The Mechanism has also provided its perspectives and input regarding the new system, as well as the Bank’s new Guidelines for the Environmental and Social Performance Standards.
Engaging with specialized audiences

To maintain and expand knowledge among amplifying audiences in the countries of the region, MICI has joined efforts with experts in our own spheres of activity. For the third consecutive year, the Mechanism has played a key role in co-organizing the American Congress on Mediation. In July, the MICI director opened the three-day event, which brought together over 1,700 experts in conflict transformation and dispute resolution.

The Mechanism also participated in the annual conference of the International Association of Impact Assessments (IAIA), which was attended by over 1,100 members from 110 IAIA member countries. The director and the Compliance Review Phase coordinator discussed institutional changes made in the areas of assessment, social impact management, and meaningful consultations as a result of the investigation of the Mareña Renovables wind power project. The Bank’s Safeguards Unit (ESG) provided valuable input for this session.

MICI also took part in the meeting of the United Nations Regional Forum on Business and Human Rights and provided inputs for the roadmap for the next decade of the Guiding Principles on Business and Human Rights to promote and strengthen non-state grievance mechanisms.
Increased presence in universities

Collaborations with academia in recent years have given young professionals in the region a deeper understanding of the Mechanism, accountability, and environmental and social sustainability. Among other activities, this year the MICI team has led specialization sessions in three diploma courses organized by prestigious universities: the Diploma in Business and Human Rights; the Diploma in Negotiation, Mediation, and Prevention of Business-State-Community Conflicts; and the International Diploma in Infrastructure, Participation, and Socio-environmental Conflict in Latin America.

New formats for MICI Reflections

The MICI Reflections program was launched in 2018 to promote institutional reflection based on the Mechanism’s experiences and to strengthen the operations of the IDB Group. This year, the program has grown with a new series of brief summaries of lessons learned and best practices drawn from specific complaints. The first note is about the experience of the Reventazón hydroelectric project in Costa Rica, while the second reflects on the transformation of a commercial artery into a pedestrian street in Bariloche, one of Argentina’s main tourist cities.

Learning with other mechanisms

MICI has continued to work closely with IAMnet, the Independent Accountability Mechanisms Network. At its annual meeting in September, MICI shared its experience managing complaints involving the risk of reprisals and its experience with the External Consultative Group, among other topics.
After two years of exhaustive analysis, the Office of Evaluation and Oversight (OVE) completed its second evaluation of MICI in April. This external review concludes that there has been “major progress in the MICI’s functioning as a result of the restructuring of the mechanism and the MICI’s process of institutional learning and consolidation” since the previous analysis in 2012.

**OVE recommendations**

The evaluation included five recommendations addressed to the IDB Group as a whole: MICI, IDB and IDB Invest Management, and their Boards of Executive Directors.

The first recommendation is aimed at strengthening IDB and IDB Invest instruments to address, in the first instance, complaints about possible impacts of IDB Group-financed projects, ensuring coordination with MICI.

OVE also proposed repealing the legal exclusion (paragraph 19.d of the MICI policy), which limited the eligibility of complaints filed with the Mechanism when they were the subject of ongoing legal proceedings.

The last three OVE recommendations are aimed at strengthening MICI: strengthening its independence (recommendation 3), ensuring that MICI processes include corrective measures (recommendation 4), and strengthening the Mechanism’s internal capacity (recommendation 5).

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>MICI</th>
<th>IDB and IDB Invest Management</th>
<th>Board of Executive Directors of the IDB and IDB Invest</th>
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<tr>
<td>1</td>
<td>![Checkmark]</td>
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</tr>
<tr>
<td>Implement the IDB Group Management system for managing environmental and social grievances so that it is coordinated with the MICI</td>
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<tr>
<td>2</td>
<td>![Checkmark]</td>
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<td>![Checkmark]</td>
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<tr>
<td>Repeal the legal exclusion</td>
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<tr>
<td>3</td>
<td>![Checkmark]</td>
<td>![Checkmark]</td>
<td>![Checkmark]</td>
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<tr>
<td>Reinforce the independence of the MICI</td>
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<tr>
<td>4</td>
<td>![Checkmark]</td>
<td>![Checkmark]</td>
<td></td>
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<tr>
<td>Ensure that corrective action is taken when there are findings of noncompliance with the policies and associated harm</td>
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<tr>
<td>5</td>
<td>![Checkmark]</td>
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</tr>
<tr>
<td>Strengthen MICI’s internal capacity</td>
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</table>
The 2021-2025 change agenda

In response to these recommendations, MICI prepared an action plan with 17 measures to be implemented over the next five years, under the supervision of OVE. Several actions that are particularly important for case management have already begun in 2021:

- The legal exclusion was repealed as of July 1st, and this change was reflected in both MICI policy documents (recommendation 2).
- MICI is collaborating with IDB and IDB Invest Management to lend its expertise in the implementation of their respective grievance management systems (recommendation 1).
- The Mechanism presented a proposal to the Board of Executive Directors to strengthen the structure of the MICI team and has revised its communication and strategic engagement strategy (recommendation 5).

Listening to everyone

The Mechanism and IDB and IDB Invest Management provided comments on the draft evaluation. MICI also held several meetings with civil society organizations in the region, which submitted their observations and proposals. Finally, OVE and MICI jointly organized internal and external meetings to publicize the main points of the action plan and the methodology that OVE will use to monitor its implementation.

An in-depth review

This independent evaluation, provided for in the MICI Policy at the instruction of the Board of Executive Directors, analyzed the functioning of the Mechanism and the requests managed between December 2014 and June 2020. The evaluation involved field visits to five countries, interviews with requesters, government agencies, private sector clients, and civil society.

What did the legal exclusion mean?

The legal clause excluded “Particular issues or matters (…) that are under arbitral or judicial review in an IDB member country.” The OVE analysis concluded that this exclusion was “an obstacle to the Mechanism’s effective operation,” and that “its application over the last five years [had] generated inefficiencies in the MICI process and the exclusion of important issues in the proper application of the IDB Group’s environmental and social safeguards policies and standards.”

OVE underscored that the legal exclusion was invoked in more than half of the requests registered in the period under analysis, “and affected the eligibility determination in six cases, limiting the MICI’s ability to serve as a resource for requesters.”

Additional documents:
- Summary of the evaluation (produced by OVE)
- MICI Response to the Evaluation and Action plan
- IDB and IDB Invest Management Response
- Comments from Civil Society Organizations
MICI managed **29 complaints** in 2021:

10 were active at the end of 2020, while the remaining

19 were **new complaints** received during 2021.
<table>
<thead>
<tr>
<th>CASE</th>
<th>COUNTRY</th>
<th>NAME</th>
<th>STATUS AS OF DECEMBER 31, 2021</th>
<th>PROJECT NUMBER</th>
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<td>MICI-PE-2015-0094</td>
<td>Peru</td>
<td>Rural Land Titling &amp; Registration Project in Peru— Third Phase (PTRT-3)</td>
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<td>MICI-IDB-PR-2016-0101</td>
<td>Paraguay</td>
<td>Downtown Redevelopment, Modernization of Metropolitan Public Transport, and of Government Offices Project— Request II</td>
<td>Compliance Review Phase — Closed in monitoring stage</td>
<td>PR-L1044</td>
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<td>MICI-IDB-HA-2017-0114</td>
<td>Haiti</td>
<td>Productive Infrastructure Program — Request II</td>
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<td>MICI-IDB-CH-2017-0115</td>
<td>Chile</td>
<td>Alto Maipo Hydroelectric Power project</td>
<td>Compliance Review Phase — Monitoring of Management’s Action Plan</td>
<td>CH-L1067</td>
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<td>MICI-IDB-EC-2018-0131</td>
<td>Ecuador</td>
<td>Program for the Reconstruction of Electricity Infrastructure in Areas Affected by the Earthquake in Ecuador</td>
<td>Consultation Phase — Monitoring of agreements</td>
<td>EC-L1219</td>
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<td>MICI-IDB-AR-2019-0144</td>
<td>Argentina</td>
<td>Productive and Tourism Infrastructure Program for the Province of Río Negro</td>
<td>Consultation Phase — Completed with the agreement's implementation</td>
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<td>MICI-IDB-AR-2021-0166</td>
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<td>MICI-IDB-AR-2021-0167</td>
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<td>MICI-IDB-AR-2021-0168</td>
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<td>MICI-IDB-CR-2021-0171</td>
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<td>MICI-IDB-BR-2021-0173</td>
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<td>Metro of Bogota First Line - First Tranch — Request II</td>
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<td>Environmental Sanitation, Macrodrainage, and Recovery Project for the Igarapés and the Banks of the Paraupapebas River</td>
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<td>MICI-IDB-BO-2021-0177</td>
<td>Bolivia</td>
<td>National Irrigation Program with a Watershed Approach III (PRONAREC III)</td>
<td>Closed</td>
<td>BO-L1106</td>
</tr>
<tr>
<td>MICI-IDB-AR-2021-0178</td>
<td>Argentina</td>
<td>Water and Sanitation Program for Metropolitan Areas</td>
<td>Open — In Eligibility process</td>
<td>AR-L1162</td>
</tr>
<tr>
<td>MICI-IDB-CO-2021-0179</td>
<td>Colombia</td>
<td>Metro of Bogota First Line - First Tranch — Request III</td>
<td>Closed</td>
<td>CO-L1234</td>
</tr>
<tr>
<td>MICI-IDB-PE-2021-0180</td>
<td>Peru</td>
<td>Improvement Huamucu Road, Conococha Huamucu Sector - Huallanca PE — 3N Route Project</td>
<td>Closed</td>
<td>PE-L1151</td>
</tr>
<tr>
<td>MICI-IDB-AR-2021-0181</td>
<td>Argentina</td>
<td>Sanitation for Nova Estrada Watershed PROMABEN II — Request II</td>
<td>Closed</td>
<td>BR-L1369</td>
</tr>
</tbody>
</table>
By the numbers

Compared to the portfolio of complaints managed in 2020

2021 saw an increase in:
- The number of complaints managed
- Allegations of environmental impacts
- Complaints linked to water and sanitation projects

2021 saw a decrease in:
- Complaints with CSOs as representatives
- Complaints related to energy projects
- The share of cases related to IDB Invest

AccountabilityData: More information, more transparency

Coinciding with the publication of this annual report, MICI has launched a new open data portal with the historical information of all the cases presented to the Mechanism since its creation in 2010. The new data repository facilitates investigations and analysis of the complaints received, the alleged damages, the types of complaints, and MICI’s management, among others. The Open Data format allows historical data to be explored with multiple searches, filters and visualizations, and the information can be downloaded for analysis using statistical software and spreadsheets.

With this new initiative, MICI wants to provide any interested party with information on the complaints and contribute to greater transparency of the Mechanism, and it becomes the first accountability mechanism that embraces the open data standard. The new AccountabilityData site, which will be regularly updated, is currently in Beta stage to receive comments and suggestions from interested audiences.
Changes in complaints received

Complaints received by year

<table>
<thead>
<tr>
<th>Year</th>
<th>Eligible</th>
<th>Non registered + Non eligible</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td></td>
<td></td>
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<tr>
<td>2017</td>
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<td>2018</td>
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<td>2019</td>
<td></td>
<td></td>
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<tr>
<td>2020</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The 19 complaints received in 2021 set a record for the highest number of new complaints in a single year since 2015, when the Mechanism’s current policy came into effect.

Where do the complaints come from?

Cases managed in 2021, by country

- Argentina: 12
- Brazil: 3
- Colombia: 4
- Chile: 1
- Haiti: 1
- Bolivia: 1
- Costa Rica: 1
- Ecuador: 1
- Guatemala: 1

The complaints managed this year came from 12 countries in the region, with Argentina, Colombia, and Brazil leading the way. Argentina accounted for nearly half (10) of the new cases received in 2021.

Source for all charts: MICI, complaint management system.
Who is filing the complaints?

2021 portfolio of complaints, by type of complainant

Community Groups, 14
Individuals, 12
Indigenous Communities, 2
Other, 1

Community groups file the most requests (including two from indigenous peoples), compared to individual complainants.

2021 portfolio of complaints, by type of representation

59%
17 Complainants with representation

41%
12 Complainants without representation

4 CSOs
4 CSOs + Individual
9 Individual

In 12 cases, the complainants filed their complaint directly, while in the remaining 17 cases (59%), they went through a representative. Civil society organizations are providing support in 28% of the complaints, following a downward trend that has continued since 2018.
What type of harm is alleged?

| Impact on living conditions | 19 | 23% |
| Environmental impact | 17 | 20% |
| Economic impact | 17 | 20% |
| Health impact | 14 | 17% |
| Cultural impact | 7 | 8% |
| Safety impact | 5 | 6% |
| Social fabric impact | 5 | 6% |

The complainants’ allegations of harm are very similar to those of previous years, but references to environmental impacts have increased, rising to second place (20%). Even so, adverse economic impacts — such as those caused by loss of livelihoods and worsening living conditions — continue to be the main harm alleged (23%).

What sectors do they come from?

<table>
<thead>
<tr>
<th>Sector</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environment and natural disasters</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>Agriculture and rural development</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>Energy</td>
<td>5</td>
<td>17%</td>
</tr>
<tr>
<td>Urban development and housing</td>
<td>5</td>
<td>17%</td>
</tr>
<tr>
<td>Transport</td>
<td>8</td>
<td>27%</td>
</tr>
<tr>
<td>Water and sanitation</td>
<td>9</td>
<td>31%</td>
</tr>
</tbody>
</table>

By sector, the operations giving rise to the most complaints are water and sanitation (9), transportation (8), urban development and housing (5), and energy (5). Compared to previous years, there are fewer complaints related to energy projects and to environment and natural disasters.

Eighty-three percent of the complaints are related to government projects and only five (17%) are related to private sector operations. IDB Invest finances three of these operations.

What environmental category are they?

<table>
<thead>
<tr>
<th>Category</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category A</td>
<td>11</td>
</tr>
<tr>
<td>Category B</td>
<td>16</td>
</tr>
<tr>
<td>Not categorized</td>
<td>1</td>
</tr>
</tbody>
</table>

Operations categorized as medium environmental risk (B) accounted for the majority (59%) of the complaints managed in the year. In contrast, operations with potentially more significant environmental and social impacts or with profound implications for natural resources (category A) account for only 38%. 
Management of complaints involving the risk of reprisals

MICI has a zero-tolerance policy for any retaliation against individuals and organizations that file complaints. Since 2020, MICI has had a set of operational guidelines to address the risk of reprisals throughout the Mechanism’s operations, from case management to outreach and training activities.

Applying these guidelines, this year MICI has prepared specific reprisal risk analyses for 13 cases handled by the phases. Based on the risks identified in these analyses, we have also worked with the complainants on reprisal mitigation plans in two cases. Both plans are living documents that are regularly updated depending on the specific circumstances.

In 16 of the 29 cases managed this year (55%), the complainants reported that they feared reprisals for having resorted to MICI and asked to remain anonymous. In these cases, the Mechanism protects the identity of the requesters at all stages of the process. In addition, if they fear reprisals, individuals who come to MICI do not have to contact the project team but can file their complaint directly with MICI with full assurances that their identity will be safeguarded.

Collaboration with other bodies

In addition to bringing the reprisals perspective into complaint management, MICI has collaborated with others both within and outside the IDB Group. This year, the Mechanism shared with Management its experiences at a specialized workshop and submitted comments to the draft note on reprisal management being prepared by the IDB. MICI also shared its lessons learned and best practices at a session of the Independent Accountability Mechanisms Network (IAMnet).

Risk of reprisals in complaints managed in 2021

- Complainants express fear of reprisals (16 complaints) 55%
- Requests for confidentiality (14 complaints) 48%
- Reprisal risk analysis (13 complaints) 45%

Since 2019, MICI has fostered the debate with different stakeholders on the risk of reprisals in complaints management.

For further information:

- Guidelines for addressing risk of reprisals in complaint management
- Guide for Independent Accountability Mechanisms on measures to address the risk of reprisals in complaint management
Complaint management in 2021, case by case
Cases managed in the Consultation Phase

The Consultation Phase managed 10 cases: four new ones and six received in previous years.

Achievements in 2021

1 case finalized with full compliance with the agreements
6 cases under agreement monitoring
2 agreements reached through the dispute resolution process

During the year:

- One complaint was closed after it was verified that all the points agreed between the parties had been satisfactorily implemented.
- Two agreements were reached through the MICI dispute resolution process. Both cases are now in the agreement monitoring stage.
- Four other cases remain in the agreement monitoring stage.
- Two cases are still in the dialogue process between complainants, project managers, and IDB and IDB Invest Management.
- One case was closed during the assessment stage because the project was no longer being financed by the Bank.

<table>
<thead>
<tr>
<th>Evaluation</th>
<th>Dialogue</th>
<th>Agreements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Closed during the evaluation</td>
<td>Dialogue in progress</td>
<td>Agreement and monitoring</td>
</tr>
</tbody>
</table>
The complaint refers to the third phase of the land registry and titling project called the Proyecto Especial de Registro y Titulación de Tierra (PETT) for the titling and registration of rural lands in Peru, particularly on the coast and in the highlands. This stage will consolidate land registration and the titling of peasant and native communities, as well as other activities to ensure the sustainability of the rural cadastre.

The complaint was filed by the Inter-Ethnic Association for the Development of the Peruvian Rainforest (AIDESEP) on behalf of 1,166 native communities of the Peruvian Amazon from nine regional indigenous organizations. It alleges that executing the project will cause irreparable harm to indigenous peoples and that it will violate their ownership and use rights over indigenous territories by granting titles to settlers first. They further allege environmental and socioeconomic harm including the deforestation of ancestral land, degradation of ecosystems, and loss of indigenous peoples’ livelihoods due to potential failures to comply with the Environment and Safeguards Compliance Policy (OP-703) and the Indigenous Peoples Policy (OP-765).

**MICI management in 2021**

The Mechanism continued with its monitoring activities during 2021, convening and facilitating bilateral meetings and meetings of the agreement monitoring committee. By the end of the year, the PTRT3 had titled just 10 of the 403 native communities included in the project. The termination of contracts with the consulting firms in charge of this task, which happened in November 2020 and in January and August 2021, has been a major obstacle to the titling process. The termination of these contracts put a halt to work on three of the project’s four lots. Finally, in October, the executing unit (UEGPS) said that it would not request a new extension of the IDB loan for the execution of PTRT3, so the project will be completed in February 2022. This would prevent compliance with the agreement facilitated by MICI.

**Highlights**

The halting of field activities in lots 1, 2, and 4 has significantly affected the project’s ability to comply with the agreement facilitated by MICI. These three lots account for 98% of the native communities to be titled under PTRT3.

The land trafficking study that the execution unit shared as part of the commitments included in the agreement is imperative to AIDESEP, as it sheds light on the invasions of indigenous territories in the Peruvian Amazon.

**THE PROJECT**

Loan Operation: PE-L1026  
Sector: Agriculture and rural development  
Environmental Category: A  
IDB financing: US$ 40,000,000

**COMPLAINT’S TIMELINE**

27-Aug-15  
Registered  
Filing  
Evaluation  
Feb 2016  
Eligible  
Eligibility  
Dialogue  
May 2016  
Monitoring  
Aug 2017  
Agreement  
Consultation Phase
The IDB is financing the construction of the Caracol Industrial Park (PIC) near the towns of Caracol, Limonade, Trou du Nord, and Terrier Rouge, as well as the development of the northern region of Haiti, through various grant operations to encourage private investment and new job creation.

The complaint was filed by Kolektif Peyzan Tè Chabe (Kolektif), a group of around 420 families represented by Accountability Counsel, Action Aid Haiti, and AREDE. The complaint alleges that the construction of the park’s perimeter fence without prior notice prevented the complainants from accessing the plots of land they farmed and relied on as their means of subsistence. They claim that the consultation process took place late, with insufficient information, and with organizations that did not represent them. They further indicate that the compensation they received was insufficient, and that they are living under precarious subsistence conditions. They say they have difficulty ensuring food security for their families due to lost income, and that their children have dropped out of school because they cannot pay school fees. Women report being particularly vulnerable to the negative consequences of this economic displacement on the fabric of family life.

**MICI management in 2021**

The complaint has been in the monitoring of agreements stage since December 2018. During 2021, MICI facilitated a virtual monitoring committee meeting, using various technological solutions to ensure the participation of complainants by telephone and interpretation between Creole and French. The Mechanism also kept in close contact with the parties through bilateral meetings via videoconferences and phone calls to monitor the status of the different points agreed upon, as well as to identify challenges and actions to address them.

Despite the challenges of the pandemic, the strong commitment of all parties has allowed progress to be made on access to land, which was the only support measure in the agreement that was still pending. In November, 13 complainant families were provided access to land.

Conditions in Haiti, given the political instability following the assassination of the president, and the earthquakes and tropical storms that struck the country, have delayed the implementation of the agreements. However, the parties have worked tirelessly to mitigate these difficulties and make progress on compliance.

**Highlights**

Remote case management due to the COVID-19 pandemic presents an additional logistical challenge, as the requesters do not have internet access. MICI has ensured the requesters’ participation in virtual meetings by telephone since 2020, and in 2021 it simplified the process into a single platform. The logistics of interpretation between Creole and French during the monitoring committee meetings have also been adjusted to facilitate smoother communication.
The IDB is financing the reconstruction of electrical power generation and distribution infrastructures affected by the earthquake of April 16, 2016, in the provinces of Esmeraldas, Manabí, and Santo Domingo in Ecuador, through a multiple works loan.

The complaint was filed by 547 residents of 8 communities in Manabí Province, Ecuador, through a representative, who originally requested confidentiality. The request refers to the relocation of 9 km of sub-transmission line between the towns of San Vicente and Jama, and alleges non-compliance with the Bank’s Operational Policies due to the absence of an environmental and social impact assessment, an inadequate risk assessment in a highly seismic area, and the lack of citizen participation procedures. The complainants claim that the new location of the sub-transmission lines could reduce tourist activity, which they depend on for their livelihood. They also cite negative health impacts due to the proximity of the lines to heavily traveled roads, and the environmental impact of those lines on birds.

* The complainants originally asked to remain anonymous for fear of reprisals, but during the process their fears were allayed, and they decided to make their identities public.

**MICI management in 2021**

The case has been in the agreement monitoring stage since 2019. After numerous delays due to contractual difficulties with the company in charge of the work, in September 2021, work formally began on the repowering and maintenance of the San Vicente-Jama sub-transmission line, which is the central point of the agreement. According to the schedule prepared by the construction company, the work should be completed by the end of the first quarter of 2022.
ARGENTINA

The IDB is financing this project with a loan of US$ 30,000,000, with a local counterpart contribution of US$ 7.5 million, to support the province of Río Negro in strengthening and consolidating its productive and tourism sectors. The project includes improvements to the urban infrastructure of San Carlos de Bariloche and Viedma through the partial pedestrianization of Mitre and Buenos Aires streets to revitalize economic activity.

The complainants are 287 street-front business owners and retailers on Mitre street in Bariloche who allege serious economic impacts due to the infrastructure improvement works, as well as potential future harm caused by changing the nature and purpose of Mitre street. Specifically, the requesters alleged that the lengthy construction period — estimated at 8 months but underway for over 3 years when the complaint was filed — was affecting tourist activities; preventing normal pedestrian and vehicle traffic; causing possible future impacts on the requesters’ property due to the lack of adequate pluvial drains; and reducing parking availability. The requesters also noted an ongoing lack of access to information about the construction work, the timetable for its completion, and traffic disruptions to facilitate construction.

MICI management in 2021

MICI has been monitoring the implementation of the parties’ agreement from the time it was reached in 2019. The last of the outstanding commitments was completed in 2021: preparing and disseminating the mobility study with the active participation of the requesters. Throughout the year, the Mechanism organized and facilitated four exchange sessions between the Municipality of San Carlos de Bariloche, the requesters, and the consulting team in charge of the study, as well as the UPCEFE and the IDB. Once the study was completed, MICI concluded its management of the case, with all provisions of the agreement having been met.

Highlights

Here, an agreement was reached in only 18 calendar days after the claim was referred to the consultation phase. The agreement monitoring process lasted 25 months, most during the pandemic and through virtual sessions. The continuous monitoring of the agreement, through more than 38 bilateral and plenary meetings, was a key element in reaching a positive outcome.

The main results of the agreement include the preparation of a mobility study for downtown San Carlos de Bariloche, which includes measures to improve accessibility, traffic, parking, and sustainable mobility, among other considerations. All of the stakeholders appreciated the space for dialogue, learning, information flow, and constructive exchange facilitated by MICI, despite their differing views. The requesters were especially grateful for the opportunity to be an active part of its development, which sought to achieve synergy between the technical expertise of specialists and the experiential knowledge of the citizens.

† In Memoriam. At the time of preparing this report, we learned of the death of Marcelo Ambrosi, one of the complainants who provided valuable inputs and perspectives during the preparation of the mobility study. We at MICI are grateful for his dedication and commitment, and express our deepest sympathy to his family and fellow complainants at this difficult time.
The program, financed through a loan from the Bank, is aimed at restoring the environmental quality of the Reconquista River Basin through the implementation of a comprehensive management plan. The plan will prioritize investments to improve solid waste management; increase water, sewerage, and wastewater treatment coverage; improve connectivity and access to outlying neighborhoods; and strengthen the operational management capacity of the Reconquista River Basin Committee.

The complaint was filed by residents of several municipalities in the river basin in the provinces of Buenos Aires and Tigre who allege that the program has failed to consider the basin as a territorial unit and the river’s capacity as a receiving body. They report high levels of pollution and negative impacts on the quality of life and health of the inhabitants of the lower basin, which could worsen if industrial and sewage pollution is not considered. They also cite the effects of the construction of the Drainage Canal/National Rowing Course, which altered water flows and made the delta the final destination of highly polluted water. They further allege that they have not had access to information and that there has been no consultation or participation process to engage the affected population.

**MICI management in 2021**

The case has been in the agreement monitoring stage since November 2019. In 2021, MICI facilitated three monitoring committee meetings and three working group meetings for the implementation of the first point of the agreement, which seeks mitigation measures for the contamination of the Paraná delta islands (San Fernando and Tigre). Despite the efforts of the parties, there are major challenges to implementing this first point.

Regarding other areas of the agreement, samples were taken in March and May to measure the water quality of the Reconquista and Luján rivers and the results were shared with the requesters. The liquid effluent management program also continued to make progress in strengthening industrial oversight, and the requesters were informed of the companies participating in the program.

The sudden replacement of the province’s infrastructure minister at the end of September led to a change in the executing agency’s contact person and delays in the process. The support of IDB and executing agency officials was crucial in facilitating this transition.

**Highlights**

MICI introduced a methodological change, creating a working group to keep from losing momentum and make progress on the first — and central — point of the agreement. Besides focusing exclusively on this topic, it held sessions more frequently, with a shorter format and fewer participants, creating a more dynamic search for solutions.
IDB Invest is financing the Bucaramanga-Barrancabermeja-Yondó concession project, which is part of the second wave of the Fourth Generation of Concessions (4G Program) promoted by Colombia’s National Infrastructure Agency under a public-private partnership arrangement. The project consists of a road interconnection between Bucaramanga with the western area of the Department of Santander, the municipality of Yondó (in the Department of Antioquia), and the Ruta del Sol II concession.

Several communities in the project’s area of influence filed a complaint through the Veeduría Ciudadana de la Ruta del Cacao VCRC-4G (Ruta del Cacao 4G Toll Road Citizens’ Watch Group), alleging environmental harm from water, soil, and air pollution, as well as harm to local flora and fauna associated with the construction and subsequent operation of the road. The complaint also alleges damage to homes and properties, economic damages to merchants working along the road, and inadequate compensation for the property owners affected by the project.

**MICI management in 2021**

Under the consultation phase, during 2021, the parties have made joint visits to the area to examine the allegations and seek creative solutions. The COVID-19 pandemic prevented the MICI team from being present at these sessions, so it was agreed that the activities and findings would be documented in photographs and videos. In this context, a partial agreement was reached regarding the allegations of damage to homes and land.

So far, partial agreements have been reached on two of the original list of seven issues: road safety and housing and land. MICI continues to facilitate the dialogue space and promote compliance with the commitments undertaken. In August 2021, the Board of Executive Directors approved an extension of the deadline for the consultation process.

**Highlights**

This is the first case in which the consultation phase has developed a structured and facilitated dialogue process for an IDB Invest-financed project. The entire dialogue process is being conducted virtually due to the COVID-19 pandemic, so the parties have not had the opportunity to meet face-to-face in the MICI space since the consultation phase began. Still, they have reached partial agreements that seek to strengthen the dialogue space and build trust between the parties. Fulfilling these partial commitments will be key to the continuation of the case and the chances of reaching a final agreement.
The IDB is supporting the Plan for the Restructuring of the Complex comprising the Eva Perón teaching hospital and Juan Domingo Perón boarding school in the province of Santa Fe, Argentina, through a loan for the Development Program for Metropolitan Areas Outside the Capital II. The project consists of enhancing and rehabilitating a 53-hectare urban site in the city’s downtown area, which has historical, urban design, and environmental value. The works include water, sewer, gas, and electricity infrastructure, street lighting, street furniture, the creation of storm water reservoirs, and the afforestation of green areas.

In February 2021, 81 city residents, who have requested confidentiality, filed a complaint with MICI alleging negative environmental, health, and historical heritage impacts linked to the complex. According to the requesters, these impacts were not correctly identified before the intervention, nor were adequate consultation, information, and public communication processes carried out with the affected population.

**MICI management in 2021**

The request was registered on February 16 and declared eligible on May 27, at which time it was transferred to the consultation phase at the complainants’ request. During the initial assessment, MICI found that conditions were favorable for a dispute resolution process and reached a consensus with the parties regarding the agenda, the issues, and the frequency of the sessions.

During the consultation process, MICI convened and facilitated 12 bilateral meetings between the parties and three dialogue sessions, in addition to 32 telephone calls about the topics at issue in order to maintain regular contact with all stakeholders. Thanks to the gradual progress made in these meetings, on August 23, the parties reached an agreement on several measures to address the issues raised in the request. The most notable measures include the community’s participation in the site management committee; its classification as a public green space with state-owned facilities for sports, recreational, or cultural use, with a ban on private residential use; an increase in the number of trees to 800; the installation of signage and speed bumps; and a reduction in visitor traffic on the main access road to the complex. In December, the Mechanism convened and facilitated the first monitoring meeting in the case.

**Highlights**

This is the first case in which the entire eligibility, consultation, and monitoring process has been exclusively virtual, including an agreement signed digitally for the first time. Despite the challenges of the virtual format, the process has moved forward thanks to the commitment of the parties.

Even though it was impossible for MICI to make on-site visits, the representatives of the requesters, the IDB, and the executing agency visited the complex to check the status of the project’s implementation and to resolve possible concerns.
This complaint was filed by a group of 46 residents of Dina Huapi, in the province of Río Negro, Argentina, who asked to remain anonymous for fear of reprisals. The request alleges potential environmental, property, and health damages resulting from the construction and operation of a sewage collection and treatment system.

Specifically, they cite the possibility that rivers and lakes, riverbanks, and beaches in the project area, which are used as a source of drinking water and for recreational activities, could be polluted by raw sewage. The requesters contend that the environmental impact study is incomplete as it fails to correctly identify the affected area and its environmental impacts on protected areas and vulnerable ecosystems. They also allege shortcomings in the information and consultation process, as well as potential damage to private property.

This operation is part of a program financed by the IDB and executed by the National Water and Sanitation Works Agency (ENOHSA).

**MICI management in 2021**

The complaint was registered in June and declared eligible in August. In keeping with the original request, the case was referred to the consultation phase, which held meetings with the requesters, the IDB, and ENOHSA. In this process, the requesters indicated that there was, so far, no alternative that they favored as a group. The Bank reported that the project in question had not yet been declared eligible to receive financing from the program and that, to obtain it, the final proposal — in addition to being technically, legally, economically, financially, and environmentally viable — had to be widely accepted by the community.

In September, ENOHSA decided not to request IDB financing for this project because the most viable technical option had not achieved broad social acceptance and had prompted objections both from the Municipality of Dina Huapi and from residents of the community.

Since there is no Bank-financed project that could cause the harm alleged in the request, MICI found that there were no matters for it to consider and concluded its processing of the case.
The objective of the Chascomús Environmental Ecopark project is to clean up and close the Chascomús landfill in the province of Buenos Aires, Argentina, and open an Ecopark designed to achieve the maximum recovery of materials and the minimum final disposal of waste. The Bank is financing a loan for US$ 150 million of the project’s US$ 187 million cost.

In July 2021, 30 residents of Chascomús, who requested that their identities be kept confidential, filed a complaint alleging potential environmental harm to the community, to their health, and to their property and economy, with a differentiated impact on the livelihoods of some women producers, farmers, and livestock breeders. Their main concerns are the drainage capacity of the land where the Ecopark is slated to be built, the potential pollution of the region’s wetland system, the impact on water wells, the potential loss of value and productive capacity of neighboring properties, and the potential impacts on native fauna.

**MICI management in 2021**

On September 28, MICI found the request eligible and began the assessment stage to determine the feasibility of a dispute resolution process. During this stage, the phase reviewed the case documents and held five bilateral meetings, all virtual, to gain a thorough understanding of the context and the parties’ perspectives, and to identify the central issues and methodological preferences that could be part of the consultation process. This analysis found that conditions were favorable, and the dialogue process began in November with an initial discussion meeting between the parties in December.

**Highlights**

This project is being implemented under single responsibility contracting arrangements, so the Environmental and Social Impact Assessment (ESIA) and the Environmental and Social Management Plan have not yet been completed. Given this situation, MICI designed a two-stage process: an initial dialogue stage with the goal of preparing a robust ESIA that incorporates and analyzes the social and environmental issues raised by the requesters; and a possible second stage in which, with the results of the ESIA and the consultations, a substantive dialogue can be held to address the concerns presented in the request.
The specific objective of the IDB-financed Cantonal Road Network II Program is to improve the cantonal road network through rehabilitation and maintenance works that include climate change adaptations, resulting in reduced travel time and operating costs, and to strengthen the institutions responsible for road network management.

A group of 28 residents of the canton of Buenos Aires, province of Puntarenas, Costa Rica, filed this complaint about the implementation of two projects under the program. The request describes the program’s impact on their living conditions as a result of damage to the access roads to the indigenous territories of Salitre and Ujarrás and other roads in the canton’s road network; socioenvironmental impacts due to the installation of a crusher; and the lack of public information and community engagement mechanisms.

MICI management in 2021

The complaint was filed on August 12 and was declared eligible on November 5 following the eligibility review and analysis of the allegations and documentation provided by the project team. The case was referred to the consultation phase, which began the assessment and dialogue process. A key consideration in the design of the dispute resolution process was that all parties were committed to protecting the dialogue space from being influenced by politics or cases pending before other bodies.

The MICI team organized seven bilateral meetings with the parties and three dialogue sessions over a two-week period. As a result of this collaborative dialogue, an agreement was reached on December 14 between the Costa Rican Ministry of Public Works and Transportation, IDB Management, and the requesters’ representative. The agreement establishes a set of measures for the repair and subsequent improvement of access roads to indigenous territories and other roads of the Buenos Aires Cantonal Road Network. The process also included the participation of the Office of the Ombudsperson of the Republic of Costa Rica, which, as an observer, witnessed the joint effort that led to an agreement that meets the interests of all parties.

The complaint has entered the monitoring phase, which should be completed in 2022.

Highlights

Thanks to the commitment of the parties, the agreement was reached in only two weeks of dialogue — the shortest time frame of all the remote processes managed by the consultation phase.
Cases managed in the Compliance Review Phase

The Compliance Review Phase managed two cases related to IDB projects and two others related to IDB Invest.

Achievements in 2021

1 investigation completed, action plan now being monitored
1 case closed at the monitoring stage
1 ongoing investigation

During the year

- The investigation related to two run-of-river hydroelectric plants in the northern part of Huehuetenango, Guatemala, was completed and presented (MICI-CII-GU-2018-0136). Based on its findings, the Board of Executive Directors instructed IDB Invest to develop an action plan to address MICI’s recommendations.

- The investigation related to the Ituango Hydropower Project in Colombia remains open (MICI-CII-CO-2018-0133).

- The action plan for the Alto Maipo Hydroelectric Power Project in Chile continues to be monitored (MICI-BID-CH-2017-0115).

- In May, MICI’s monitoring of the case referring to the Downtown Redevelopment, Modernization of Metropolitan Public Transport, and of Government Offices Project, known as the Metrobus project (MICI-BID-PR-2016-0101) in Paraguay came to a close.
The IDB is supporting the rehabilitation and upgrading of Asunción’s urban and transportation infrastructure through various loan and grant operations. The first objective is to revitalize downtown Asunción by establishing pedestrian walkways and bicycle paths, renovating parks, building sewer and storm drainage works, and erecting a building to provide public services. The second objective is to establish an integrated and efficient public transportation system between San Lorenzo and Asunción.

The complainants are 11 merchants whose businesses are located at Mercado 4, next to the Metrobus route. They allege that the Metrobus construction will have negative impacts on residents, that there is a lack of transparency about the project, and that the project lacks a final design and a technical and economic feasibility study.

**MICI management in 2021**

In October 2020, the Board of Executive Directors approved the action plan presented by IDB Management to address the recommendations of the compliance review approved in 2018. In April 2021, MICI conditionally closed this case without having been able to monitor the action plan after completion of the component at issue in this complaint. The two-year delay in preparing the action plan, coupled with the time required to process the case, frustrated the requesters, who say they have seen no concrete results in return for the time and effort invested in processing the case.

**Highlights**

**Strengthening the Bank’s safeguards.** The investigation revealed a gap in the Bank’s operational policies in relation to the economic displacement of merchants. Based on MICI’s recommendation, the Bank included economic displacement in its new Environmental and Social Policy Framework. In this way, the management of this complaint has contributed to the institutional strengthening and sustainability of IDB projects.

**Changes to ensure more effective remediation.** This was the first case in which the Board of Directors instructed MICI to monitor the action plan for addressing the investigation’s recommendations. The delays in developing this plan and the changes in the project following the investigation posed serious limitations to the final feasibility of the action plan and its monitoring by MICI. With this lesson learned, the Mechanism introduced specific recommendations and timelines in subsequent investigations.
Three key considerations of the investigation

➤ **Timely and complete preparation of environmental and social assessments.** The Bank’s failure to carry out a comprehensive risk and impact assessment and develop mitigation measures until around the same time as the startup of program works resulted in project delays, extra costs, and the need for additional time to fill the gaps that were being identified.

➤ **Meaningful consultation.** The consultation process was not carried out with all the guarantees offered by IDB safeguards because the merchants were not identified early in the project cycle as parties affected by economic displacement. The lack of meaningful engagement and consultation processes with all stakeholders produced mistrust, rejection, and community opposition to the project. In addition, it is as important during the consultation process to explain the project’s benefits as it is to properly explain its potential impacts and management measures.

➤ **Bank Supervision.** IDB support to borrowers is key to providing technical capacity to ensure compliance with operational policies at all stages of the project cycle and is essential to the Bank’s ability to generate added value when it finances operations in the region.
The IDB is financing the construction, operation, and maintenance of two 531 MW run-of-river hydroelectric power plants in the San José de Maipo area. The power plants will capture the upper-basin water flows from the Maipo, Yeso, Volcán, and Colorado Rivers, then return the water to the Maipo River through the construction of 70 km of tunnels in the Andes mountain range. When the complaint was received, the project was being financed by OPIC, the IFC, and other international financial institutions.

The complainants live and work mainly in the town of San José de Maipo, and are represented by the Coordinadora Ciudadana No Alto Maipo [No Alto Maipo Coordinating Committee] and the organization Ecosistemas, with support from the Center for International Environmental Law (CIEL). They allege harmful impacts on their way of life and economic conditions, and increased insecurity. They emphasize that the project’s impacts on the environment and the surrounding communities were not assessed comprehensively, and that no appropriate mitigation measures were proposed. They further contend that the area has seen fewer tourists because of the increased vehicular traffic.

They further allege potential environmental harm related to the future operation of the project, mainly due to adverse impacts on the availability of water and the flow of the rivers involved. They assert that this harm can be attributed to noncompliance with several of the Bank’s operational policies, and they have asked MICI to conduct a compliance review.

MICI management in 2021
In October 2020, IDB Management presented its action plan for implementing the recommendations made by MICI in the compliance review report, which was approved by the Board of Executive Directors in June 2020.

In July 2021, MICI finalized the monitoring plan that includes action plan activities, deliverables, dates, indicators, verification methods, and an annual calendar. During the second half of the year, IDB Group Management provided documentation reporting its progress on implementing the action plan.

During the monitoring process, MICI has met with the parties several times to receive updated information and to analyze compliance with the activities outlined in the action plan to bring the project back into compliance.
**Highlights**

This is the first monitoring plan carried out by MICI in the compliance review phase.

In this case, MICI identified opportunities for improvement in communication with the Bank’s Management so its action plan would effectively address all the recommendations of the compliance review. This lesson learned served to improve and strengthen the development of future action plans.
The Ituango Hydropower Project, currently under construction, is a hydropower plant with an installed capacity of 2,400 MW that harnesses the flow of the middle stretch of the Cauca River, in the department of Antioquia, some 170 km from Medellín. IDB Invest has been financing the project with a corporate loan operation since 2016. In April 2018, an emergency arose in the project because of landslides and tunnel blockages, which continues to be dealt with by the construction company and supervised by IDB Invest.

The complaint was filed by 477 residents of nine municipalities (Briceño, Ituango, Toledo, Peque, Sabanalarga, Valdivia, Caucasia, San Andrés de Cuerquia, and Sopetrán) in the department of Antioquia, Colombia, represented by the organization Movimiento Ríos Vivos Antioquia and supported by three civil society organizations: the Center for International Environmental Law (CIEL), the Interamerican Association for Environmental Defense (AIDA), and the International Accountability Project (IAP).

In their complaint they allege current and potential impacts due to the construction and operation of the project, related to the identification of the area of influence and the affected population; the identification and management of social and environmental impacts; the increase in conflict, insecurity, and violence in the project area and gender-differentiated impacts; the absence of adequate public consultation and participation; and the lack of adequate resettlement or compensation plans for physical and economic displacement. The requesters also maintain that the emergency that began in April 2018 has worsened and led to additional impacts both upstream and downstream of the dam, and that the project operator, EPM, has inadequately handled the consequences and related information.

**MICI management in 2021**

The investigation, which began in February 2020 with the formation of the panel, continued to move forward during 2021. The field mission, initially scheduled for April 2020, was postponed due to the pandemic. Since then, the phase team has made progress by analyzing documents, verifying information, and meeting and communicating with the parties for clarification, research, and access to information. Between August and December 2021, the panel furthered the investigation through virtual interviews that began in 2020 and made progress with various deliverables with a view to completing the investigation in 2022.

The IDB Group and Empresas Públicas de Medellín (EPM) agreed to a voluntary prepayment of the funds disbursed for the financing of the project. This prepayment was executed in December 2021 and does not change the course of the ongoing investigation.
**Highlights**

Here, given the complex circumstances on the ground, MICI has worked to maintain contact with the complainants and adapt case management to the restrictions imposed by COVID-19. Throughout 2021, multiple virtual meetings were held with requesters, the panel of experts, and the IDB Invest project team using technological tools accessible to all the stakeholders.

During the year, the complainants have reiterated their growing fear of reprisals based on their public opposition to the project and the filing of the complaint. They have particularly highlighted the climate of violence and attacks on human rights defenders in the area. Several meetings were held in 2021 with the requesters and their representatives to obtain firsthand updates on the situation of violence on the ground, which, they say, has been exacerbated by public demonstrations against the project.

In keeping with the MICI Guidelines for Addressing Risk of Reprisals in Complaint Management, the phase updated the plan to reduce this risk, which it devised jointly with the complainants after holding several meetings and considering the proposals submitted by their representatives in October.
This project consists of the construction and operation of two run-of-
river hydroelectric power plants, Generadora San Mateo S.A. (GSM) and
Generadora San Andrés S.A. (GSA), financed through two IDB Invest loan
operations. GSM will use the Negro and Pojom Rivers, while GSA will use
the Primavera, Varsovia, and Palmira Rivers. Both projects are located in the
municipality of San Mateo de Ixtatán, in the Department of Huehuetenango,
Guatemala.

The complaint was filed by residents from five communities (Ixquisis,
Bella Linda, Yulchen Frontera, Nuevo San Mateo and Pojom) in the Ixquisis
microregion, who requested the confidentiality of their identities for fear of
reprisals. They are represented by the Q’anjob’al, Popti, Chuj, Akateko, and
Mestizo Plurinational Ancestral Government, the Interamerican Association
for Environmental Defense (AIDA), and the International Platform Against
Impunity.

The complaint alleges breaches of IDB Invest’s due diligence and oversight
obligations, including the absence of a complete environmental and social
impact assessment and inadequate consultation and access to information
procedures, considering the impact on the interests and territory of
indigenous communities. They also describe environmental impacts on water
bodies that would affect the household and agricultural activities of the
communities, as well as impacts on the culture and traditional way of life of
the indigenous peoples of the area, with gender-differentiated impacts.

The complaint additionally details serious conditions of insecurity, the
breakdown of the family and community fabric, and ongoing violence
and retaliation against opponents of the projects, due to a climate of
confrontation that the complainants say began with the arrival of the
hydroelectric projects.

**MICI management in 2021**

In July, MICI finalized the compliance review report, which identified both
compliance and noncompliance with IDB Invest’s operational policies in
eight areas, particularly regarding indigenous peoples’ identity, gender
mainstreaming, and the level of conflict in the area. Based on the findings,
MICI presented 29 recommendations that include specific corrective
measures to bring the projects back into compliance and institutional actions
to reinforce IDB Invest’s operational policies.

MICI is finalizing translations of the report into the Chuj and Q’anjob’al
Mayan languages to make it accessible to communities in the project area.

The Board approved the recommendations in September and asked IDB
Invest for an action plan, which will be monitored by MICI. MICI met with IDB
Invest during the development of this plan and kept in regular contact with
the requesters.
Three key considerations of the investigation

- **Indigenous peoples.** The specific safeguards for indigenous peoples were not triggered because the directly affected population was considered to be majority non-indigenous, despite information to the contrary.

- **Gender.** Potential gender-differentiated impacts were not identified, although there were indications that women’s traditional practices could affect them in a differentiated or aggravated manner. For example, it was not considered that the presence of foreign workers, police, and military could negatively affect women’s ancestral use of rivers and springs and their worldview of nature.

- **Security.** The specific risks of violence that the projects could create for the communities in an area with a historical context of insecurity and polarization with multiple underlying causes were not adequately assessed.

**Highlights**

For the first time, MICI introduced a recommendation to ensure that, should IDB Invest decide to withdraw from the projects, its exit from the operations would be responsible. In such an event, IDB Invest should prepare, in consultation with the communities, a transition plan guided by the principles of do no harm, transparency, and accountability.
Complaints managed in the eligibility stage

The six complaints registered in 2021 went to the eligibility stage, in which MICI conducts a detailed analysis of the allegations and gathers additional information from complainants and project managers, who can provide their perspective on the issues.

Because of the pandemic, these meetings have been held virtually this year. Of the six cases examined at this stage:

- Four were declared eligible and sent to the Consultation Phase, at the request of the complainants.
- One complaint referring to the Urban Municipal Infrastructure Program in Argentina (MICI-IDB-AR-2021-0165) was declared ineligible because the complainants decided to withdraw from the MICI process.
- One complaint was still in the eligibility process at the end of the year. This complaint refers to the Water and Sanitation Program for Metropolitan Areas in the province of Tucumán, Argentina (MICI-IDB-AR-2021-0178).
The complaint was filed by 114 residents of San Andrés in the province of Tucumán, Argentina, who asked to remain anonymous for fear of reprisals. In their request, they describe future and potential environmental and health impacts to the community, as well as to their quality of life, property, and livelihood activities due to the construction and operation of the San Andrés Treatment Plant, which is part of the water and sanitation program (PAyS). They also cite potential harm to local agricultural activities from the discharge of sewage into the nearby Sali River.

Finally, the requesters allege that meaningful public consultations were not held and that information on the works and current, complete documentation of the environmental impacts in the project area is not available.

MICI management in 2021
The complaint was registered on November 17, after the complainants submitted additional information not included in the original request. On December 20, MICI management submitted its response to the allegations. The eligibility determination is expected to be completed by January 28, 2022.

Management determined that the complaint was ineligible because the requesters decided to withdraw from the entire MICI process and pursue their claim through other channels.

ARGENTINA

Urban Municipal Infrastructure Program

The complaint was filed by a group of 17 requesters from the city of Paso de los Libres, in the province of Corrientes, Argentina, who requested confidentiality for fear of reprisals. It contains allegations regarding the project’s lack of relevance and viability. The complainants also allege potential economic harm and property damage due to the design, construction, and operation of the planned works. They further allege that public consultations were lacking, that there was no information available on the works, their scope, and impact, and that the affected population was not correctly identified.

The request also alleges irregularities in the bidding process for the works, which do not fall within the Mechanism’s scope of operations, so this matter was referred to the Bank’s Procurement Office.

MICI management in 2021
The complaint was registered on March 4, after the complainants submitted additional information not included in the original request. On May 5, MICI determined that the complaint was ineligible because the requesters decided to withdraw from the entire MICI process and pursue their claim through other channels.

ARGENTINA

Water and Sanitation Program for Metropolitan Areas

The complaint was filed by 114 residents of San Andrés in the province of Tucumán, Argentina, who asked to remain anonymous for fear of reprisals. In their request, they describe future and potential environmental and health impacts to the community, as well as to their quality of life, property, and livelihood activities due to the construction and operation of the San Andrés Treatment Plant, which is part of the water and sanitation program (PAyS). They also cite potential harm to local agricultural activities from the discharge of sewage into the nearby Sali River.

Finally, the requesters allege that meaningful public consultations were not held and that information on the works and current, complete documentation of the environmental impacts in the project area is not available.

MICI management in 2021
The complaint was registered on November 17, after the complainants submitted additional information not included in the original request.

Management submitted its response to the allegations on December 20 and the eligibility determination is expected to be completed by January 28, 2022.
Complaints managed in the registration stage

All 19 complaints received in 2021 refer to IDB projects and none to IDB Invest operations.

When the Mechanism receives a new complaint, it reviews its contents within five business days to verify whether it meets the requirements and provides the information needed for its initial processing (paragraph 14) and to determine whether any exclusions (paragraph 19) to the MICI policy apply.

Of the 19 complaints received in 2021, 13 either failed to comply with the requirements or were subject to exclusion, and therefore MICI terminated their processing at the registration stage. The other six were forwarded to the eligibility stage.

Complaints not registered

Six complaints were not registered because the requesters had no prior contact with the IDB, IDB Invest, or IDB Lab project team. Since the complainants did not express fear of reprisals, they were referred to Management as a first instance grievance mechanism.

Three complaints were outside MICI’s scope of action and were referred to the Bank’s Procurement Office.

Two complaints were not registered because they referred to projects in which more than 24 months had passed since the last IDB disbursement.

One complaint was incomplete, and the complainants failed to provide the requisite information after being granted a 10-day extension under the policy.

Finally, one complaint was solely related to corruption issues, which do not fall under the Mechanism’s purview, and was referred to the Bank’s Office of Institutional Integrity (OII).

The Bank implemented the first OVE recommendation at the end of the year by launching its new grievance management protocol. For the first time, MICI used this channel to assist complainants who had not had previous contact with Management.
The complaint was filed by a citizen of the province of Buenos Aires, Argentina, alleging prohibited practices or corrupt acts in connection with the Integrated Urban Solid Waste Management Program.

MICI management in 2021
The complaint was not registered as it dealt solely with prohibited practices or corrupt acts, and it was transferred to the Office of Institutional Integrity (OII).

A resident of Bolivia filed this complaint regarding works included in the National Irrigation Program, alleging prohibited procurement practices, which are excluded from the Mechanism’s mandate.

MICI management in 2021
The request was not registered and was transferred to the Bank’s procurement team for it to address the issues described.
PERU

Improvement Huanuco Road, Conococha Huanuco Sector - Huallanca PE — 3N Route Project

The complaint was filed by a private Peruvian company, alleging possible irregularities in the payment processes of the Huánuco – Conococha highway improvement project.

MICI management in 2021

The request was not registered as it dealt solely with allegations of irregularities in the procurement process. It was therefore transferred to the Bank’s procurement team.

MICI-BID-PE-2021-0180

Closed

Brazil

Sanitation for Nova Estrada Watershed PROMABEN II — Request II

The complaint was filed by a resident of Brasilia, Brazil, regarding prohibited procurement practices and irregularities in the public bidding process for the works of the Sanitation Program of the Estrada Nova Basin PROMABEN II, financed by the IDB.

MICI management in 2021

The request was not registered as the allegations were outside the scope of the Mechanism, and the complaint was forwarded to the procurement team and the Bank’s Office of Institutional Integrity (OII).

MICI-BID-BR-2021-0181

Closed
The complaint was filed by a resident of the neighborhood of El Naranjal, district of La Chorrera, Panama. It describes the environmental and health impacts on the residents of the El Naranjal neighborhood resulting from the construction and operation of the Pan-Am Generating Ltd. thermoelectric plant, which was financed by the IDB.

Specifically, the requester states that the project does not comply with the proper environmental safety measures and that it produces noise pollution, vibrations, and toxic gases that have seriously affected the population of the area since the early 2000s, when the plant began operating. It also alleges direct health effects, mainly in children, due to exposure to contaminants that have caused skin, eye, and respiratory diseases.

**MICI management in 2021**

The request was not registered because it was filed more than 24 months after the Bank’s last disbursement, which was in January 2002. It should be noted that the request was originally filed with the Bank’s ethics office, which transferred it to MICI.

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The complainant, who asked to remain anonymous for fear of reprisals, describes potential economic damages arising from the expropriation, under the Macambira-Anicuns Urban Environmental Program, of a piece of land owned by the requester. It also alleges local government malfeasance in an IDB-financed project.

**MICI management in 2021**

The complaint was not registered as the IDB made the last disbursement for this project in March 2018, more than 24 months before the request was filed.
ARGENTINA

Water and Sanitation Program for Urban and Suburban Centers (PAyS)

This complaint was filed by a group of 46 residents of Dina Huapi, in the province of Río Negro, Argentina, who requested confidentiality for fear of reprisals. The complaint primarily alleged potential environmental harm to the community, as well as harm to the requesters’ property and health due to the installation of a wastewater collection and treatment system.

MICI management in 2021

The request was not registered because the complainants had no prior contact with the project team.

After meeting the prior contact requirement, and because their concerns remained unresolved, the requesters returned to the Mechanism by filing complaint MICI-BID-AR-2021-0168, described above.

ARGENTINA

Project to improve the provincial route 82 corridor in the province of Mendoza

Four residents of the district of Chacras de Coria, in the province of Mendoza, Argentina, filed this complaint alleging potential harm to their property and living conditions due to the construction and operation of Provincial Route 82, Final Section of Corridor III Gobernador Ortiz.

The complainants allege that the price offered for the expropriation of an event hall they owned did not constitute fair compensation because it failed to consider the investments they had made. They also claim that their finances are directly affected, since the expropriation price does not consider future lost profits from the hall, which is the family’s sole income. They also report shortcomings in the information and public consultation process regarding the impacts of the project.

MICI management in 2021

The request was not registered because the complainants had no prior contact with the project team.
ARGENTINA

Integrated Urban Solid Waste Management Program — Request III

The complaint was filed by three citizens from Argentina, alleging potential environmental and health impacts on the community due to the future construction and operation of a landfill as part of the IDB-financed Integrated Urban Solid Waste Management Program.

The request cites the lack of an adequate and complete environmental and social impact study that correctly identifies the cumulative environmental impacts on the areas and populations affected by the landfill. It also highlights the negative effects of soil, air, and water pollution and its subsequent impact on human health and the regional ecosystem. The complainants also allege a lack of public information and adequate public consultation on the project in line with IDB policies.

MICI management in 2021

The request was not registered because there was no prior contact with the project team.

COLOMBIA

Metro of Bogotá First Line - First Tranch — Request II

The complaint was filed by a Bogotá resident alleging potential harm to his living conditions arising from the expropriation of his service station for the construction of the IDB-financed Bogotá Metro line project.

According to the requester, his property was incorrectly appraised at below market value. He further alleges that the valuation failed to consider the lost profits from the closure of the business, which has over 20 employees. The request also cites potential noncompliance with the Bank’s policy on involuntary resettlement (OP-710).

MICI management in 2021

Since the complainant had not contacted the project team to try to resolve the dispute in the first instance, the complaint was not registered.
ARGENTINA

Urban Municipal Infrastructure Program — Request II

This complaint was filed by two residents of San Miguel de Tucumán, Argentina, who alleged potential harm to the environment and to historical heritage from the remodeling of Tucumán’s Plaza Independencia as part of the IDB-financed program.

They reported that the wide variety of tree species, including endangered native species, had been scaled back and often removed without proper handling. They also alleged that objects of significant historical and cultural value had been removed, and that spaces for recreational, sports, and cultural activities had been reduced. The complainants further alleged a lack of public information and the failure to carry out adequate public consultations on the implementation of the works.

MICI management in 2021

MICI informed the complainants that their request could not be registered because they had not previously contacted IDB Group Management. It also suggested that they forward some of their allegations regarding the lack of transparency of the project’s bidding and contracting processes to the Office of Institutional Integrity (OII), as these matters are beyond the scope of the Mechanism’s operations.

COLOMBIA

Metro of Bogota First Line - First Tranch — Request III

The complaint, forwarded to MICI by the IDB Group’s Office of Institutional Integrity (OII), was filed by a citizen of Bogota who alleges potential harm to his property and living conditions as a result of the expropriation of his home for the construction of the subway in Colombia’s capital city. According to the requester, the appraisal of his property was incorrect and did not consider lost profits, as the expropriation would deprive him of his livelihood. He also states that no payment for the expropriation had been made, and that there were inconsistencies in the notification process.

MICI management in 2021

The request was not registered in order to give the requester a chance to establish initial contact with the project team.
The complaint was filed by a citizen of Parauapebas, Pará, Brazil. The request describes potential harm to the living conditions of residents in and around Parauapebas due to expropriations carried out without an adequate resettlement plan that included appropriate reparation and compensation measures.

**MICI management in 2021**

The request was received in late September and MICI granted an additional ten business days for the submission of the information needed to continue with the process. At the beginning of October, MICI closed the administrative processing of the case because it had not received the additional information.

In addition, MICI referred several allegations mentioned in the request regarding irregularities and lack of transparency in the bidding processes to the Office of Institutional Integrity (OII), as these issues fall outside the Mechanism’s scope of action.

When a request does not contain all the information needed for registration (paragraph 14), the MICI Policy grants an additional 10 business days to supplement the original request. The processing of the complaint is terminated if, after this period, the requirements have not been met. In addition, requesters are informed that they may return to MICI with a new complaint that includes all the necessary information.
## Annex 1. 2021 budget

Approved and Executed Budget for 2021  
Figures in US Dollars

<table>
<thead>
<tr>
<th>2021 Budget Items</th>
<th>IDB</th>
<th>IDB Invest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries</td>
<td>1,835,009</td>
<td>-</td>
<td>1,835,009</td>
</tr>
<tr>
<td>Request Management</td>
<td>712,291</td>
<td>535,491</td>
<td>1,247,782</td>
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<tr>
<td>Learning</td>
<td>18,230</td>
<td>3,000</td>
<td>21,230</td>
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<tr>
<td>Outreach</td>
<td>66,400</td>
<td>34,230</td>
<td>100,630</td>
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<tr>
<td>Institutional Strengthening</td>
<td>15,000</td>
<td>1,000</td>
<td>16,000</td>
</tr>
<tr>
<td>Contingency Fund</td>
<td>50,000</td>
<td>30,000</td>
<td>80,000</td>
</tr>
<tr>
<td><strong>Total Budget Approved + Contingency Fund</strong></td>
<td><strong>2,696,930</strong></td>
<td><strong>603,721</strong></td>
<td><strong>3,300,651</strong></td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>2021 Execution</th>
<th>IDB</th>
<th>IDB Invest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Executed</td>
<td>1,789,051</td>
<td>254,946</td>
<td>2,043,997</td>
</tr>
<tr>
<td>Contingency Fund Executed</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total Executed + Contingency Fund Executed</strong></td>
<td><strong>1,789,051</strong></td>
<td><strong>254,946</strong></td>
<td><strong>2,043,997</strong></td>
</tr>
</tbody>
</table>
## Annex 2. Outreach in 2021

### External outreach

<table>
<thead>
<tr>
<th>Month</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>January</td>
<td>Central American Regional Meeting - Guatemala, Honduras and El Salvador</td>
</tr>
<tr>
<td>April</td>
<td>MICI Conversation with Civil Society Organizations - Spanish</td>
</tr>
<tr>
<td>April</td>
<td>MICI Conversation with Civil Society Organizations - English</td>
</tr>
<tr>
<td>May</td>
<td>Participation in the annual conference of the International Association for Impact Assessments (IAIA)</td>
</tr>
<tr>
<td>May</td>
<td>MICI Conversation with Civil Society Organizations – Portuguese</td>
</tr>
<tr>
<td>May</td>
<td>Participation in the session &quot;Business and Human Rights: the role of Civil Society Organizations&quot;</td>
</tr>
<tr>
<td>June</td>
<td>Meeting with Civil Society Organizations on the evaluation of OVE</td>
</tr>
<tr>
<td>June</td>
<td>Session with IAMnet on retaliation risk assessment in dissemination activities</td>
</tr>
<tr>
<td>June</td>
<td>Presentation on Accountability Mechanisms at the Universidad del Medio Ambiente, Mexico</td>
</tr>
<tr>
<td>July</td>
<td>Participation in the III American Congress of Mediation</td>
</tr>
<tr>
<td>September</td>
<td>Meeting with Civil Society Organizations on the evaluation of OVE and MICI’s Action Plan</td>
</tr>
<tr>
<td>September</td>
<td>Presentation of MICI in the Business and Human Rights Diploma Course</td>
</tr>
<tr>
<td>September</td>
<td>Annual Meeting of Independent Accountability Mechanisms (IAMs) (organized by the complaints mechanism of the European Investment Bank)</td>
</tr>
<tr>
<td>September</td>
<td>Inauguration of the Diploma Course in Negotiation, Mediation and Conflict Prevention Company-State-Community</td>
</tr>
<tr>
<td>October</td>
<td>Participation MICI VI Regional Forum on Business and Human Rights for Latin America and the Caribbean</td>
</tr>
<tr>
<td>October</td>
<td>Meeting with Civil Society Organizations on the evaluation of OVE and the repeal of the legal exclusion</td>
</tr>
<tr>
<td>October</td>
<td>Session on Environmental and Social Safeguards. Diploma Course in Negotiation, Mediation and Conflict Prevention Company-State-Community</td>
</tr>
<tr>
<td>November</td>
<td>Regional Workshop with Caribbean Civil Society Organizations (two days)</td>
</tr>
<tr>
<td>November</td>
<td>Session of MICI and OVE with Civil Society Organizations</td>
</tr>
<tr>
<td>December</td>
<td>International Diploma Course - Infrastructure, Participation and Socio-Environmental Conflict in Latin America (CCC, ICM and FLACSO)</td>
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</tbody>
</table>

### Internal dissemination

<table>
<thead>
<tr>
<th>Month</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>May</td>
<td>Presentation at the Fundamentals of Sovereign Guaranteed Operations Workshop</td>
</tr>
<tr>
<td>May</td>
<td>IDB Invest Onboarding Session</td>
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<tr>
<td>September</td>
<td>Knowledge exchange session between MICI and IDB Invest</td>
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<td>Update sessions of IDB Invest's Sustainability Policy</td>
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<tr>
<td>November</td>
<td>IDB Onboarding Session</td>
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<tr>
<td>December</td>
<td>Dialogue on the evaluation of MICI’s OVE in 2021: Findings, recommendations, and actions to improve the effectiveness of the mechanism</td>
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INDEPENDENT CONSULTATION AND INVESTIGATION MECHANISM

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