



MICI REFLECTIONS

A Human Approach to Complaints:

Learning from the Early Stages
of the MICI Process

This document was prepared by Esteban Tovar Cornejo, with contributions from the MICI team. The statistical information was compiled and analyzed by Esteban Tovar, with support from Esteve Sala and Sebastián González Montanez. MICI is grateful to Victoria Márquez-Mees for her inputs on this subject during her time as director of the Mechanism (2015-2020).

As preparation for this note, MICI organized a focus group meeting with IDB Group representatives directly involved in the institution's accountability work or with whom the Mechanism has worked in managing complaints. We received valuable feedback during the discussion of the draft note. The Mechanism would like to thank the units that participated in this meeting. From the IDB – Environmental and Social Solutions Unit (ESG), Office of the Executive Vice President (EVP), Infrastructure and Energy Sector (INE), Legal Department (LEG), and the Office of the Vice President for Countries (VPC) – and from IDB Invest, Environmental and Social Risk Management Units (SER).

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Foreword



This note analyses best practices and lessons learned to make ensure that human-centered considerations or the human factor are at the forefront of the complaints process.



Development is only genuine when it respects both the social and environmental legacy of future generations and the historical tradition of communities, peoples, and individuals. Unanimity of views on the nature of development is not commonplace. People may disagree, agree, feel strongly affected, or have differing views of what constitutes progress. For this reason, listening to all voices becomes an essential responsibility for those working to finance development. In addition, different accountability bodies and mechanisms, such as MICI, exist and strive to ensure that these disparate voices are being heard and that development has a more positive and sustainable impact.

Since its establishment in 2010, MICI has received over 200 complaints from individuals and communities in Latin America and the Caribbean who felt they had been harmed in some way by a development project. Each complaint had a different outcome. Some became MICI cases that were handled through a dispute resolution process or prompted an investigation within the IDB Group. Others could not be registered because they failed to meet basic criteria or were not considered eligible for further processing by the Mechanism. This note thus analyzes what happened in the initial stages of the nearly 120 complaints received in the last eight years. The rigorous technical analysis in this note provides information on the origins of the complaints, projects, and issues they embodied. The note also offers new insights to help understand the concerns that development projects can generate and why only some of the complaints submitted to MICI met all the prerequisite criteria needed to move forward.

Beyond the numbers, this note aims to specially highlight the human implications of receiving and handling complaints. At MICI, we are well aware that behind each of these 200 complaints are people with a story. People who often come to the Mechanism after a lengthy period of uncertainty, with both hopes and concerns about a project's impact on their community.



They often have doubts about whether to seek recourse, who to turn to, and what to expect after knocking on one door after another. They harbor concerns about the survival of their livelihoods, the health of their families, or their ability to continue living in the places where they were born. If that were not enough, they may also have serious reservations about the complex, technical, cold, and slow nature of the complaint process. For this reason, this note also analyses best practices and lessons learned to make ensure that human-centered considerations or the human factor are at the forefront of the complaints process.

Knowing about and being able to access complaint bodies regarding environmental and social complaints in international development is vitally important. Addressing complaints provide another opportunity for projects to improve and have favorable outcomes for everyone. I am confident that this new MICI Reflections document will bring us a little closer to a more humane type of development where complaints are addressed early, understood, and resolved in order to generate more positive impacts in our region.

Andrea Repetto

MICI Director



São José dos Campos | Brazil

Glossary



2010 MICI Policy

Policy Establishing the Independent Consultation and Investigation Mechanism of the IDB, approved on 4 February 2010 by the Board of Executive Directors of the IDB, and in force from September 9, 2010 through December 17, 2014.

Allegation

Assertion of harm or noncompliance with a Relevant Operational Policy (ROP), made by the complainants and/or their representatives, the occurrence of which has not been verified.

Bank or IDB

Inter-American Development Bank, public arm of the IDB Group.

CSOs

Civil society organizations.

Executing Agency/Executor/Client

The entity designated in the relevant legal agreements to execute all or part of an operation financed by the IDB Group.

Harm

Any substantial and direct damage or loss. The harm may have occurred or have reasonable probability to occur in the future.

IAMnet

Network of accountability mechanisms of international financial institutions.

IDB Group

Composed of the IDB, IDB Invest and IDB Lab.

IDB Group-financed operation or project

Any Bank investment or other financing activities, with sovereign guarantee (public sector) or private guarantee (private sector), including any operational activities involving loans, grants, technical cooperation assistance, and guarantees financed or to be financed in whole or in part from Bank funds or from funds administered or guaranteed by the Group.

IDB Invest

Commercial name of the Inter-American Investment Corporation.

IDB Lab

Commercial name of the Multilateral Investment Fund.

IIC

Inter-American Investment Corporation, private arm of the IDB Group.

Main operation

Any Group-financed operation or project most linked to the issues addressed in the complaint.

Management

IDB Group's manager or managers in charge of the relevant Bank-Financed Operation or any person or persons to whom they delegated.

MICI-IDB Policy

Policy of the Independent Consultation and Investigation Mechanism of the IDB (MI-47-8), approved by the Board of Executive Directors on 17 December 2014, and in force as of that date.

MICI-IIC Policy

Policy of the Independent Consultation and Investigation Mechanism of the IIC (CII/MI-1-4), approved on 15 December 2015 and in force as of January 2016. Also informally referred to as the MICI-IDB Invest Policy.

MICI

Independent Consultation and Investigation Mechanism of the IDB Group.

MIF

Multilateral Investment Fund.

OVE

Office of Evaluation and Oversight of the IDB Group.



Project Teams

Group of specialists from different departments, divisions, or units, and consultants of the IDB Group, who are collectively responsible for preparing and supervising the implementation of Group-financed operations.

Public Registry

Online public registry, prepared and maintained by MICI, in which all public documents related to the complaints received by MICI are recorded, in keeping with paragraph 62 of its Policy.

Region

Latin America and the Caribbean.

Request or Complaint

A communication submitted by the Complainants or their representatives that alleges that they have suffered or may suffer harm due to the Bank's failure to comply with one or more of its Relevant Operational Policies within the context of a Bank-financed operation.

Requesters or Complainants

Group of two or more people residing in the country where a Bank-financed operation is implemented and who submit a complaint to MICI alleging that they have been or may suffer harm due to the Bank's failure to comply with one or more of its Relevant Operational Policies within the context of the operation.

ROP

Relevant Operational Policy. The environmental and/or social standard applicable to projects approved by the Board, the version of which is in force at the time of approval of the Bank-financed operation related to the complaint, unless otherwise specified in the relevant policy or legal documentation.

I. Introduction



The MICI Reflections Program was launched in 2018 to share lessons and foster institutional learning based on MICI's experiences and to strengthen the operations of the IDB Group.

About MICI Reflections

MICI not only handles and manages complaints but also helps develop relevant lessons on environmental and social sustainability issues based on the analysis and findings of its Requests/Complaints management process. In this way it not only responds to environmental and social concerns as well as ensures that IDB Group operations have a positive impact in the region. As part of this approach, MICI has developed an institutional learning program that analyzes the results of its case management experience.

The MICI Reflections Program was launched in 2018 to share lessons and foster institutional learning based on MICI's experiences and to strengthen the operations of the IDB Group. In addition to creating knowledge products, the program also organizes institutional exchange events in close cooperation with IDB Group Management (or "the Group"). At the same time, based on these knowledge products it maintains an ongoing dialogue with civil society organizations and other accountability mechanisms.

The Program has produced several publications to date. The first one, *Analysis of the Request Portfolio 2010-2017*, examines the types of claims received by the Mechanism, while the second, *Consultation Phase 2010-2019: Nine Years of Experience in Dispute Resolution*, reviews the experience of the dispute resolution process at MICI. The program has also published a note *Online Mediation and Social Conflict*, which offers considerations on the long-term transformation of online mediation for resolving post-pandemic socioenvironmental disputes, and another one entitled *Discuss, Inform or Involve? Community Consultations and Access to Information under MICI's Analysis*, which reflects on two of the most frequently recurring themes of the Compliance Review Phase.

About MICI

The IDB Group works to improve the lives of people in Latin America and the Caribbean by financing projects from both in the public and private sectors in areas such as health, education, essential services, and infrastructure. These projects are designed to generate a positive impact in the region and are governed by the highest international standards. Their goal is to promote environmental and social sustainability while respecting the rights of communities.

Despite this commitment, the Group's projects may sometimes experience unplanned or unforeseen challenges during implementation. When this happens, MICI listens to the concerns of those affected and works with all stakeholders to seek common solutions to ensure that IDB Group projects support genuine development in our region.

MICI's current makeup, structure, and operations result from nearly 30 years of evolution, development, and adaptation among similar accountability mechanisms from various international financial institutions. MICI, as an independent body within the Group's Management structure, has the ability to impartially and objectively address complaints submitted by affected communities through a process that includes different stages for the handling and resolution of complaints. These stages include: Receipt and Registration, Eligibility Determination, and Consultation and/or Compliance Review Process.

About this note

Purpose (objectives)

This note offers a detailed analysis of the initial steps of the MICI process, from the receipt of a new request or complaint to its registration (hereinafter “registration”) and the determination of whether it is eligible or not (hereinafter “eligibility”) for further processing in one of the two MICI phases: the Consultation Phase (hereinafter “dispute resolution process” or “CP”) and the Compliance Review Phase (hereinafter “independent investigation process” or “CRP”).

The main objective of this note is to identify a set of good practices that must be applied during the initial stages of complaint management within MICI. These complaints are related to environmental and social concerns raised by communities or individuals in the region, and refer to development projects being implemented in the areas where they live. To achieve its purpose, this note sets out two specific objectives:

- ↘ Analyze the **best ways to handle and process complaints** from the time they are received, considering the different realities and contexts in the region.
- ↘ **Classify and analyze information on complaints upon their arrival at MICI** in order to: (i) understand what the activation of the Mechanism means and what to expect in these early interactions, and (ii) identify the added value of this analysis for the later phases of the process.

For whom (target audience)

This note is intended for various audiences, both internal and external to the IDB Group, including:

- **IDB Group staff, executing agencies, and clients**, especially the staff responsible for developing and managing protocols and mechanisms to address environmental and social complaints, both at the project level and within IDB Group Management.¹ The document identifies good practices and addresses the challenges MICI has faced during its 12 years of responding to complaints.
- **Potential complainants and CSOs**. This analysis offers a guide to prospective users of the Mechanism on what to expect in their first interactions with MICI.
- **Professionals working on environmental and social conflict issues**. The document is offered as a reference on how to manage, analyze, and process complaints from the time they are received by a grievance processing office.

How and what it covers (methodology and sampling)

This note uses information from the portfolio of complaints received by MICI, as well as public information on the projects referred to in the complaints.

The sources of information used to prepare this note is the metadata captured in MICI's computerized case management system.² This system provides information on the complaints received and the eligibility memoranda that record the decisions made by the Mechanism at this first phase. Information from IDB Group-financed projects, which is publicly available on the institution's website, is also used.

¹ OVE's 2021 evaluation of MICI (*RE-542-1*) establishes, as an initial recommendation, the need for coordination between MICI and the offices responsible for addressing environmental and social complaints within each management unit.

² Since 2014, MICI has been using complaint management software similar to that used in law firms, administrative process management systems, and/or for legal complaints. This software is also used by other accountability units of the IDB Group.

This statistical information has been available to the general public since 2022 through the *open data system* of the IDB Group (Box 1). This data structure makes it possible to replicate all the statistical information presented in this note. The electronic link to download the information can be found in the references section.

Since this note focuses on analyzing MICI complaint management and extracting lessons from the current process, it will only analyze a sample of complaints processed under the MICI Policies currently in effect.³

During the period under study (17 December 2014 to 31 December 2022), MICI received 120 complaints,^{4, 5} 109 of which are related to IDB operations, seven to IDB Invest (formerly IIC), and two to IDB Lab (formerly MIF). The Mechanism also received two complaints during this period that were unrelated to IDB Group-financed operations and therefore are excluded from this analysis. For this reason, **the number of complaints analyzed was reduced to 118.**

It is important to note that these 118 complaints are associated with just **77 IDB Group operations**, broken down as follows: 69 from the IDB, 6 from IDB Invest, and 2 from IDB Lab. It is important to note that some IDB and IDB Invest operations are the subject of more than one complaint. A total of 40 IDB operations received more than one complaint, while this occurred in only one IDB Invest operation.

³ The Bibliography provides a link to the public database that includes the complete history of complaints received by MICI from 2010 to 2022.

⁴ As a reference, between 2010 when MICI was established and the end of 2022, MICI managed 203 complaints: 84 that were processed under the framework of the 2010 MICI Policy and the 120 under the current policy.

⁵ One of the processed complaints referred to the same project, but involved both an IDB-financed and IDB Invest-financed operation. For this case, MICI used a classification that identified each institution, but had the same number: MICI-BID-CO-2018-0133 and MICI-CII-CO-2018-0133.

Box 1

COMPLAINT INTAKE IN PERSPECTIVE: INTERPRETING THE NUMBERS

Before beginning the analysis, it is important to provide an overview of what the 118 processed complaints^a have signified to the institution, along with the 77 operations that gave rise to these complaints. This will allow us to properly assess the Mechanism's work within the organization. For example, how many complaints are received in relation to the number of project approvals? What is the likelihood that a project will give rise to a complaint? Let's examine.

The first fact that stands out, when analyzing these numbers, is that only a small percentage of the Group's projects have been the subject of complaints to the Mechanism. Let's take as an example only the IDB, which is the institution with the largest number of complaints. Between 2014 and 2022, around 1,370 operations were approved^b while just 77 of them generated at least one MICI complaint. In

percentage terms, this represents only 5% of the total approved portfolio.

In addition, if we compare the average of all operations approved per year with the number of those that gave rise to MICI complaints from 2000^c to date, only 1.3%^c of approved operations ended up with at least one complaint filed with the Mechanism.

It is important to note that although the ratio between approved operations and those that generate MICI complaints is low overall, this does not detract from the importance or seriousness of the complaints, nor does it invalidate the concerns raised. Regardless of the number of complaints, the Mechanism like any accountability mechanism, must treat all complaints with the same level of seriousness and professionalism.

^a This note analyzes only the sample of complaints that have been processed under the current MICI Policies from 17 December 2014 to 31 December 2022.

^b Public information available on projects approved in 2022, when research for this note was concluded, only included approvals through August 2022.

^c Public data on projects approved between 2000 and 2022 was utilized. The oldest project for which MICI has received a complaint since the adoption of the current Policies was approved in 2000.

What this note includes

This note is divided into four chapters. The first provides an overview of the procedural framework, consideration of the initial processing phase, and the operating principles governing the Registration and Eligibility Determination Stages of a complaint. The second chapter analyzes the Registration Phase in detail, from the moment a new complaint is received until the decision is made to register it or not. The third chapter examines the Eligibility Determination Phase, which covers the period from the registration of the complaint to the determination of its eligibility for either phase of the MICI process. Lastly, the fourth chapter includes numerous lessons learned from the content presented in this note.

Box 2

OPEN DATA PORTAL: MORE INFORMATION, MORE TRANSPARENCY

In 2022, MICI launched a new open data portal (Open Data) with all the background information on all the cases submitted to the Mechanism since its creation in 2010. The new data repository facilitates investigations and analysis of the complaints received, alleged harms, types of complaints, and MICI's case processing system, among other things. The Open Data format allows historic data to be explored with multiple searches, filters, and visualizations. In addition,

the information can be downloaded for analysis using statistical software and spreadsheets.

With this new initiative, MICI aims to provide any interested party with complete information on the complaints and help make the Mechanism more transparent. It is the first accountability mechanism to embrace this open data standard.

<https://mici.iadb.org/en/cases/opendata> 



II. Understanding Complaints and the Importance of their Initial Processing

In-depth analysis of a complaint

Content

Following the formal definition set out in MICI Policies,⁶ a request or complaint must have three converging components for it to be considered as such: **allegations of harm** indicating possible noncompliance with IDB Group environmental and social safeguards (Operational Policies, Performance Standards, Frameworks or Norms); (ii) the existence of **one or more IDB Group-financed operations** subject to these safeguards; and (iii) **a group of people (two or more)** who consider that a harm linked to potential noncompliance with these policies may exist. Therefore, strictly speaking, a request or complaint is a communication in which the three above elements converge (Figure 1).

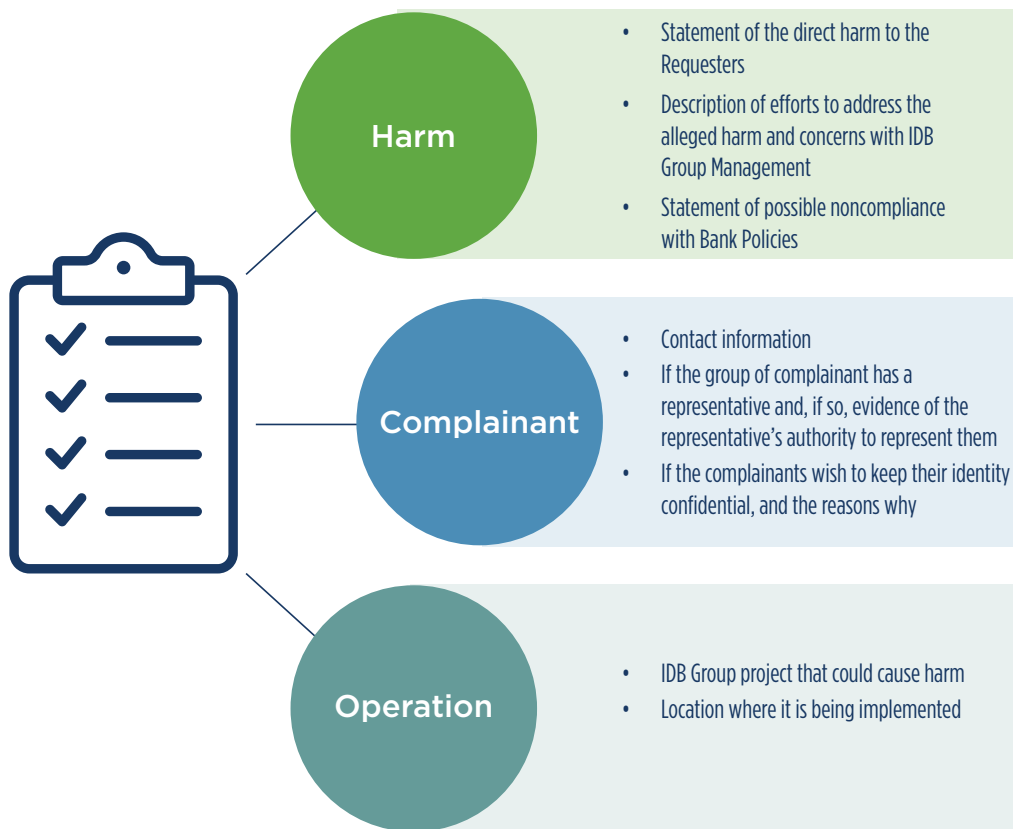
Figure 1. What constitutes a complaint?



⁶ See Glossary.

In each of these spheres there exists specific disaggregated information that can be⁷ systematically identified to enable MICI to process the complaint, carry out a standardized analysis of its content, and typify its characteristics. Figure 2 details the particular information that must be analyzed in each component, based on the requisite information that every complaint must contain. Thus, all the information is grouped together regarding: (i) what the allegation of harm is, how it was previously processed, and how it relates to the Group’s safeguards; (ii) who is filing the complaint and how it reaches the Mechanism; and (iii) how the Group is involved in and affected by the complaint.

Figure 2. Information contained in a complainant



Source: Paragraph 14 of MICI Policies.

⁷ Paragraph 14 of the MICI-IDB and MICI-IIC Policies.

The first MICI Reflections product, entitled *Analysis of the Request Portfolio*, focused on the study of the three components of a complaint and on the general classification of its features. However, it did not analyze on how this information is used or its importance to the Mechanism's initial analyses. The purpose of this note, therefore, is to precisely present this analysis and to highlight its relevance.



Under MICI Policies, a complaint may be filed by a group of two or more persons residing in the country where the project, with potentially negative impacts on the environment or the people who live in the vicinity, is being implemented.
São José dos Campos' | Brazil

Who and how

Under MICI Policies, a complaint may be filed by a group of two or more persons residing in the country where the project, with potentially negative impacts on the environment or the people who live in the vicinity, is being implemented. At the same time, there is the possibility that this group of people may be supported by a representative,⁸ regardless of whether the person resides in the country where the operation is being implemented during the MICI complaint handling process.

Although, as we have seen, the presence of the aforementioned elements is essential to be able to consider a claim as such, there is no specific format for its presentation. The only requirement is that the complaint be addressed to MICI and that it reach the Mechanism's staff via email, mail, or fax. In terms of languages, the complaint may be written in any of the four official languages of the IDB Group (Spanish, English, Portuguese, and French). Complaints may also be presented in other languages spoken in the region, such as Indigenous languages or dialects.

These initial considerations have two direct implications for MICI's operations:

- **Demand-driven complaints:** MICI does not have the power to initiate a complaint case on its own initiative, which implies that the submission of a complaint is the only way the Mechanism can address the affected stakeholders' concerns. Even if MICI had prior knowledge of potential issues that could form part of a complaint, it could only intervene after a formal complaint has been filed.
- **The role of CSOs:** The MICI Policies states that the complaint must be directly related to the harm experienced by a group of people in a defined area (a country). This specificity means that CSOs mainly act as representatives or advisors who support the communities, rather than as direct complainants.

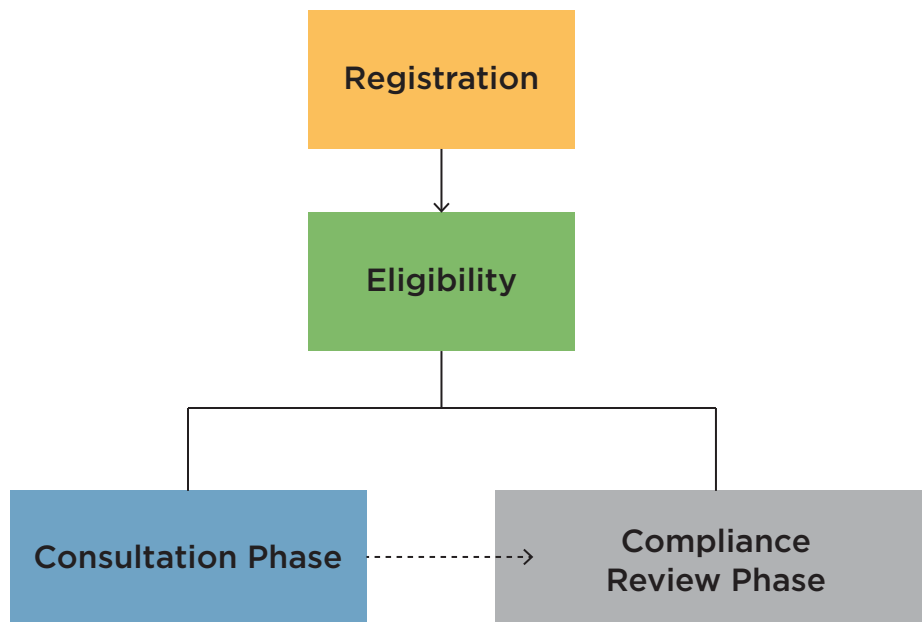
⁸ The MICI Policies allow any individual or group of individuals (members of the same community or neighbors, as well as civil society organizations) to act in this capacity and to advise complainants.

Receiving a Complaint

In the particular case of MICI, the processing of each complaint received generally follows the MICI-IDB (*MI-47-8*) and MICI-CII (*CII-MI-1-4*) Policies and consists of four main steps: (i) registration, (ii) eligibility analysis, (iii) Consultation Phase and (iv) Compliance Review Phase (Figure 3). In this section, we will briefly explain these two initial phases which is the topic of this note.

As stated in both policies, MICI is the only office authorized by the two Boards of Executive Directors to interpret the criteria and provisions of the Mechanism’s process.

Figure 3. Procedural phases of a MICI complaint



Source: MICI Policies

Registration

The objective of registration⁹ is for MICI to quickly determine whether a newly received complaint can be analyzed or not. This step is taken in the interest of efficiency, as it prevents duplication and unnecessary actions as well as allows both the complainers and MICI to use resources more efficiently. Although registration will be analyzed in greater detail in chapter three, we will briefly note some of its characteristics below.

During the five business days following the receipt of a complainant, which is the maximum time allowed under the MICI Policy, the Mechanism:

- ↳ Verifies that the complaint contains the minimum information needed for processing, that is, it includes the items described in Figure 2.
- ↳ Ascertains whether there has been prior contact with IDB Group Management, as the MICI Policy requires complainants to have raised their concerns with Management and the project teams before seeking recourse from MICI.¹⁰

Checks the applicability of any exclusions that could prevent the Mechanism from intervening. These exclusions mainly establish MICI's areas of responsibility and time limits, and seek to prevent the repetition of previously filed complaints or the filing of anonymous complaints.

If a complaint lacks sufficient information for processing, the MICI Policy allows for an extension of up to 10 business days for complainants to provide the missing information needed for registration.

⁹ The Registration process is defined in Section F of the MICI Policies.

¹⁰ Paragraph 14.G of the MICI Policy calls on complainants to submit “a description of the efforts made by or on behalf of the Requesters to address the concerns in the Complaint with Management, and the results of those efforts.”

At the end of this period of 5 or 10 business days, the Mechanism determines whether the complaint has everything it needs to move on to the next phases of the process. This decision is formalized by the registration or non-registration of a complaint. In case of registration, the complaint advances to the next phase in the process; if it is not registered, the complaint is closed and MICI concludes its handling of the complaint. It is important to note that the closing of the registration process does not preclude the submission of a new complaint at a later date.

Eligibility Determination

The registration of a complaint triggers the eligibility determination process¹¹. The main objective at this phase is to verify the five criteria set out in MICI Policies that define the central elements of the complaint: information on the composition of the group of complainants (who they are, how many there are, and where they are located); if they have representation, and ascertain if this duly evidenced; the progress or implementation status of the operation cited in the complaint; and a clear description of the allegations of harm, which must be within the scope of work and mandate of the Mechanism.

To meet the objective of this phase, MICI needs to gain a better understanding of the situation experienced by the group of people who have availed themselves of the Mechanism, the local context in which they operate, and their daily lives. By doing so, it can identify the potential harm and how it is occurring or could occur, as well as its potential connection to the actions, omissions and/or inactions of the Group. At the same time, MICI seeks to understand in greater detail what is happening in the IDB Group-financed operation, going beyond existing documentation to understand the challenges faced by project teams, executing agencies, and clients on the ground, as well as the measures taken to address these challenges.

The eligibility phase formally takes up to 42 business days, divided into two periods of 21 business days each. During the first period, the Management in charge of the project prepares a written response (Management's

¹¹ The eligibility process is defined in Section G of the MICI Policies.

Response) offering its perspective on the allegations presented by the requestors and the actions taken to address them. During the second period, MICI prepares an eligibility determination memorandum explaining the reasons for declaring a complaint eligible or ineligible. If the complaint is declared eligible, the complaint proceeds to the phase requested by the complainants; if it is deemed ineligible, MICI concludes its processing of the complaint.

Operationally, MICI Policies state that the director of the Mechanism is responsible for making the decisions regarding the Registration and Eligibility stages, based on the criteria established in both policies and in consultation with the Consultation and Compliance Review Phase coordinators. In practice, MICI's director is supported by a specialist who, along with a team comprising staff of the stages, provides day-to-day support to complainants and IDB Group Management. This team is in charge of information analysis, production of relevant documents, and operational coordination, which makes it possible to categorize information and streamline the initial complaint receipt and management process.

Regardless of the outcome of the registration and eligibility determination, the initiation (or not) of a MICI process does not suspend the disbursement of funds or compel the Group to exit the operation in question. Moreover, if a complaint is registered and declared eligible, this is not a declaration of the IDB Group's compliance or noncompliance with its environmental or social safeguards as this can only be determined at the end of an investigation in the Compliance Review Phase.

Principles of registration and eligibility: humanizing the process

MICI is governed by a set of guiding principles included in its Policies¹², which are:

- ↳ To be functionally independent from Management.
- ↳ Handle complaints efficiently and effectively.
- ↳ Be objective, impartial, and transparent.
- ↳ Avoid duplication with other independent offices of the IDB Group.
- ↳ Reflect the highest professional and technical standards of the IDB Group.

With these principles serving as the guiding framework, a series of guidelines have been adopted for registration and eligibility determination to help improve the Mechanism's performance. These initial stages are fundamental in establishing key precepts, such as building trust and managing expectations, which will guide the subsequent phases of the process if it is ultimately started. How the complaint is handled in these early stages and how the initial contact with stakeholders occurs exemplifies how an organization values the principles of transparency and accountability.

That said, what are the good practices that MICI has developed to support the overall improvement of its complaint processes and ways to humanize complaint management from the very start?

¹² Paragraph 6 of the MICI-IDB and MICI-IIC Policies.

Agility and personalization

The Mechanism's processes seek, first and foremost, to address complaints efficiently and effectively. To achieve this, MICI has implemented internal practices that ensure a response acknowledging receipt within no more than 24 hours of receiving a complaint.

This personalized response offers complainants and/or their representatives the opportunity to schedule a virtual/phone meeting within two to three business days. This practice aims to offer the greatest possible certainty to complainants, humanize the process, and adhere to a high standard of professionalism in a circumstance that could be directly affecting people's lives. Users feel that the personalized approach used for the initial response reflects the importance being afforded the complaint.

The Mechanism strives to ensure that its interactions with the stakeholders during the Eligibility Determination Phase are timely, focused, and take place during the first weeks immediately following registration. This avoids taking more time than necessary to collect the information needed to handle the complaint.

Maximum openness / Accessibility

MICI should be a tool accessible to all residents of the region from the moment a complaint is received. The process has no entry barriers or costs for those who wish to use it. As explained above, the complaint format is flexible and submissions can be received in the Group's official languages (Spanish, Portuguese, English, and French) or in any of the native languages of the region's diverse ethnicities. It's important to stress that complainants need not be represented by third parties unless they so wish, and they are not required to have legal representation or to be represented by any particular civil society organization.

Adaptability

MICI recognizes the diversity of the Latin American and Caribbean region when receiving complaints and determining their eligibility. For this reason, it is prepared to adapt its actions to accommodate the circumstances faced by the stakeholders involved (be they complainants, Group project teams, executing agencies, and/or local clients).

When a complaint arrives at the Mechanism—which can happen on any business day of the year¹³ — the MICI team must have the tools to respond quickly, identify urgent or sensitive issues, and understand that the people initiating the process may arrive with considerable emotional stress. The team should bear in mind that the harm may have been perpetuated over time¹⁴. It is also important to consider the complainants' lack of trust and frustration with the process due to unresponsiveness or lack of results and, in many cases, the highly dangerous conditions for environmental and human rights defenders in the Latin American and Caribbean region.

Impartiality

MICI strives to ensure that all stakeholders are heard equally and that the evidence presented is understood and respected. All are treated equally, and the Mechanism avoids rendering value judgments or opinions on the complainants' allegations or on the actions (or omissions) taken by the IDB Group and/or the executing agencies and clients.

For example, at initial contact, the group of complainants is informed that MICI will establish direct communication with the corresponding Management unit to address the issues raised in the complaint. Similarly, when MICI establishes contact with Management, the company, and/or the executing agency, it informs them of its interactions with the group of complainants.

¹³ Business day according to the calendar of the Inter-American Development Bank Group headquarters in Washington, D.C.

¹⁴ Submitting a complaint to MICI can take time as it involves determining that a project is being financed by the IDB Group, being aware of the existence of the Mechanism and how to access it, and making efforts to resolve the environmental and social concerns with the executing agency and/or company, or directly with the IDB Group teams.

Trust building, empathy, and active listening

Likewise, each complaint that arrives at the Mechanism must be understood dualistically. On the one hand, it is a situation that reflects a unique reality, with its own nuances, incentives, and needs. On the other hand, it involves a situation that takes place within a local, national, or regional context, with historic, cultural, economic, and political dimensions that directly affect the lives of people and the project in question.

Within this context, MICI must familiarize itself with the situation and the reality of the region, providing from the beginning a space for interaction where all stakeholders can be heard openly and without partiality. Safe spaces must be created that let the stakeholders explain their situation and the challenges they face, as well as the specificity of their case.

The most effective way to build and maintain trust is to uphold impartiality throughout the process, as this will create opportunities for active listening where messages can be understood, internalized, and instill empathy in other stakeholders. In this way, MICI does not act as a partial advocate for communities, project teams, and/or clients.

Predictability and managing expectations

Throughout the section, it has been emphasized that MICI's process is clearly and carefully defined in its two Policies, with sequential deadlines and phases, seeking at all times to be clear and to reduce processing times. However, as with any process, it can be confusing to the stakeholders and its administrative procedures can be frustrating at times, especially if it is their first time interacting with MICI.

MICI's entry into an existing conflict with looming concerns and direct impact may also raise expectations about the form and outcomes of the MICI process. If this situation is not handled carefully from the outset, it could have a negative impact on MICI's work in terms of either the dispute resolution or independent investigation process. This can lead to frustration, emotional fatigue, and an increased potential for escalation of the conflict, as well as the perception of an imminent exacerbation of the alleged harm.

For all these reasons, one of the main objectives of these initial stages is to inform all the stakeholders equally of what they can expect from the process, its outcomes, type of future interactions, and average processing time. Thus, as early as its first interaction with the stakeholders, the MICI team will clarify what exactly MICI does and can do. Above all, however, it is important to be very clear about what it cannot do. It's important to be explicit about the limits of its role and the results which can be achieved. It is also important to explain to complainants the opportunities and constraints of the MICI process, noting that it is one of several options for addressing their concerns and that there are other local and international avenues that they can pursue to seek remedy.

Do no harm

As we mentioned before, since MICI is the instrument of last resort within the IDB Group's accountability system, it usually intervenes when the conflict is already at an advanced stage. There are likely previous failed interactions, high emotions, people that are apathetic and disillusioned with financing institutions, and persons fatigued by the process and with little energy to seek outcomes other than those already obtained.

The Mechanism thus seeks, at a minimum, to avoid escalating the confrontation nor complicating or delaying the processes. The goal is to keep concerns from being exacerbated and having a negative impact on subsequent phases. This can occur by preventing that stakeholders from distancing themselves which would undermine a dispute resolution outcome, or by averting the emergence of new divisive issues which could distance the stakeholders further.

Transparency

MICI's management of every complaint received, and all of its decisions, are recorded in case files kept in the *virtual Public Registry*,¹⁵ which also houses the public documents related to this case. This gives all direct stakeholders and third parties access to the information when needed.

Managing expectations

In consonance with the above principle, MICI aims to be very clear from the outset about its work and the potential outcomes of the process. From its earliest interactions with the stakeholders, MICI seeks to set clear expectations as to what it can accomplish.

For example, complainants are informed from the first contact that MICI is not a judicial body and does not replace domestic justice systems. Similarly, if the complainants' intention is to complaint suspension of the project and/or its disbursements, they are told that MICI does not have the authority to take such action.

At the same time, both with Management and the respective executing agency, MICI is straightforward in explaining its scope, objective, and the mandate it has been given by the Boards of Executive Directors. Emphasis is placed on explaining the distinct roles that each plays in the MICI process.

Lastly, regardless of the outcome of the process, MICI reports in writing on the actions taken during its complaint processing and the reasons for its decisions, in accordance with MICI Policies. In addition, it is always available to engage directly with and share its analysis with the stakeholders.

¹⁵ MICI now has one Public Registry for the IDB and one for IDB Invest. Both are hosted on MICI's website <https://mici.iadb.org/> and are available in the four official IDB Group languages.

Confidentiality in addressing risk of reprisals

In the Registration and Eligibility Stages, MICI screens for potential risks of reprisals¹⁶ following the procedure outlined by MICI in the *Guidelines for Addressing Risk of Reprisals in Complaint Management*.

Accordingly, the MICI team carries out an exhaustive analysis during its first interactions with groups of complainants to identify possible risks¹⁷ and offer the option for handling the complaint confidentially.



Resource management efficiency and optimization are fundamental principles in these initial phases of the MICI process, as they help avoid unnecessarily prolonging the complaint process and bringing clarity and trust to the Mechanism's interactions with complainants.

Image: Meeting with communities for the "Reventazón Hydroelectric Project" | Costa Rica

¹⁶ The definition of reprisals is set forth in the Guidelines for Addressing Risk of Reprisals in Complaint Management (Introduction. Section D. Definition of Reprisals).

¹⁷ See MICI document Guidelines for *Addressing Risk of Reprisals in Complaint Management*.

Managing resources efficiently

Resource management efficiency and optimization are fundamental principles in these initial phases of the MICI process, as they help avoid unnecessarily prolonging the complaint process and bringing clarity and trust to the Mechanism's interactions with complainants.

Below are examples of how MICI has actively sought to work optimizing its resources (both financial and human) during these phases:

- ↳ Demonstrating procedural clarity with respect to stages and timelines in all communications (verbal and written, as well as formal and informal) from the moment the complaint is received.
- ↳ Flexibility to shorten procedural deadlines when warranted by the complaint circumstances, thus avoiding unnecessary delays.
- ↳ Providing prompt responses in all cases, even when the MICI process cannot be triggered.
- ↳ Clear definition of tasks and responsibilities for assigned staff.
- ↳ Smooth flow of information about the complaint among all MICI staff.
- ↳ Clear identification of all resources to be used in each complaint.
- ↳ Process based on a team approach that does not depend on a single individual.
- ↳ Use of ongoing communication instruments with zero costs for stakeholders.

Box 3

REGISTRATION AND ELIGIBILITY IN MICI POLICIES: A POSITIVE EVOLUTION

Over the course of the Mechanism’s history, the initial management of complaints has undergone significant improvements that have made it possible to ensure agility, consistency, predictability, efficiency, and transparency in the process. These advances have emerged in response to the identification of areas for improvement, as explained below.

Thus, for example, in the previous 2010 MICI Policy, entry into the Registry was simply an administrative step that acknowledged receipt of the new complaint. The Mechanism has now updated this approach by broadening the initial contact with the complainants to include getting a sense of their situation, analyzing the operation referenced in the complaint, and quickly determining the applicability of exclusions. These actions ensure that only those complaints that comply with MICI’s prerequisite criteria advance to the Eligibility Determination Phase.

In addition, under the 2010 Policy, two eligibility processes were undertaken—one for each phase—even though the admissibility criteria were virtually the same. This meant that if a complaint fell within any of the exceptions provided for in the MICI Policy, it would still go to the eligibility phase because such

exclusions were not determined to be applicable at the registration phase. And since eligibility was a twofold process, this complaint had to go through two eligibility reviews before its processing could be concluded. Further, depending on which of the phases analyzed the complaint, differing results could complicate the decision on whether to initiate a MICI process. The current eligibility process, in contrast, allows both phase coordinators to participate jointly during the single phase, ensuring a shared understanding of the situation in each complaint and guaranteeing that only those cases that clearly should be eligible are deemed so.

The procedural innovations implemented in the current policies, both for the Registration and for Eligibility Determination Phases, have succeeded in overcoming the difficulties previously encountered by the Mechanism. They have also allowed these initial stages to evolve from a purely administrative procedure to a more analytical, adaptive, and human approach that, from the very beginning of the process, prioritizes interpersonal relationships, improves the management of expectations, optimizes time and resource use, and ensures a more transparent flow of information.

III. Registration: The first step



This first analysis, carried out for all complaints received by MCI, makes it possible to separate quickly and early those complaints that are within the scope of its responsibility and that contain all the necessary information.

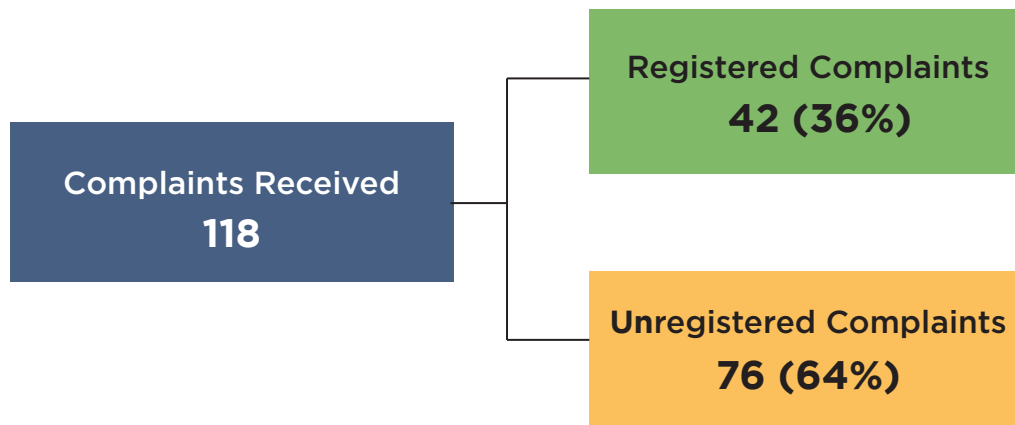


As mentioned in Chapter II, the purpose of the Registration phase is for MICI to determine whether a complaint meets the basic criteria set out in the Policy (information, prior interaction with Group Management, and no grounds for exclusions), thus expediting its path to the next phases of the process.

This first analysis, carried out for all complaints received by MICI, makes it possible to separate quickly and early those complaints that are within the scope of its responsibility and that contain all the necessary information.

This initial phase has two possible outcomes: the complaint is registered and advances to the Eligibility Determination Phase, or is not registered thus concluding its processing. Figure 4 shows the numbers of complaints received¹⁸ since the approval of the new MICI Policy in 2014, as well as the percentage of those registered and unregistered.

Figure 4. Processing of incoming complaints



Source: MICI database - Available in the Open Data portal.

¹⁸ Two requests that did not involve IDB Group-financed operations were excluded from the analysis.

The numbers in the figure above allow us to analyze two elements: information from the complaints that advanced in the process and information from those that were not registered.

The analysis of registered complaints is more relevant at the Eligibility Determination Phase and will therefore be discussed in the following chapter. However, as shown in Figure 4, not all complaints that reach MICI are accepted, and the percentage of unregistered complaints is almost double that of registered complaints.

For this reason, it's important to analyze this group of unregistered complaints in detail to understand the most common reasons for non-registration, identify trends and reasons, and consider the possible impediments that hinder access to MICI. When these barriers are identified, address them so that the communities that need to utilize the Mechanism can do so promptly and efficiently. Managing the confidentiality of complainants' identities when requested because of fear of reprisals is also an important part of the Registration phase. These issues will be discussed in the section below.

Unregistered complaints

Evidence gathered between 2014 and 2022 has allowed MICI to identify six reasons complaints are not registered (Table 1). Of the 76 complaints that did not advance in the process, the two main reasons were: (i) the complaints were clearly related to one of the exclusions provided in the Policy (53%), and (ii) complaints lacked the necessary information for processing (39%) (Figure 5).

Figure 5. Reasons for not registering complaints

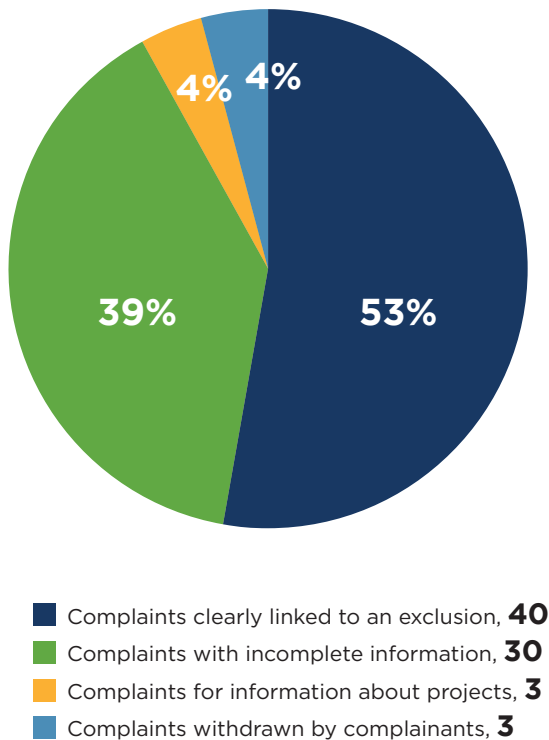


Table 1. Reasons for non-registration

- Complaints clearly linked to an exclusion. Complaints that clearly fall within one of the exclusions set forth in paragraph 19 of the MICI Policies.
- Complaints with incomplete information. Complaints lacking the minimum information needed to proceed with registration.
- Complaints for information about projects. Complaints that only requested information about an IDB Group project.
- Complaints withdrawn by complainants. Complaints in which the complainants decided to withdraw the complaint, voluntarily, because it was in their best interest.

Source: MICI Database - Available in the Open Data portal.

The evidence shows that not all complaints that reach MICI are automatically accepted, and that the ability to promptly identify what does not meet the Mechanism's requirements allows us to manage expectations effectively and avoid, as far as possible, unnecessarily prolonging a contested process that could exacerbate the situation faced by complainants.

The fact that MICI does not register a complaint does not diminish the importance of the allegations, nor does it cast doubt on their veracity. Nor should it be interpreted as a value judgment on the situation giving rise to the complaint or on the complainant.

We will now focus on the two main reasons why a complaint is not registered: exclusions and missing information.

Complaints linked to any of the exclusions in the MICI Policies

The MICI Policies contain a set of exclusions that determine the applicability of the Mechanism and that, as we will see, were established to allow MICI to fulfill its mandate.

The Policies provide five types of exclusions, each independent (Table 2) and with different purposes (Table 3), and which operate with the intention of facilitating agile and predictable processing by MICI. Operationally, all exclusions are reviewed during the Registration phase in the first few days after the complaint is received.



Eligibility mission on the case “Productive Infrastructure Program” | Haiti

Table 2. Definition of exclusions

- **Exclusion 19(a).** Considerations of ethics or fraud, specific actions by Bank employees, nonoperational matters such as internal finance or administration, complaints of corrupt practices, and procurement decisions or processes.
- **Exclusion 19(b).** Any complaint that is anonymous, or is clearly without substance.
- **Exclusion 19(c).** Particular issues or matters that have already been reviewed by MICI, unless justified by new evidence or circumstances not available at the time of the initial complaint.
- **Exclusion 19(e).** Complaints related to operations that have not yet been approved.
- **Exclusion 19(f).** Complaints that are filed more than 24 months after the last disbursement of the relevant Bank-Financed Operation.

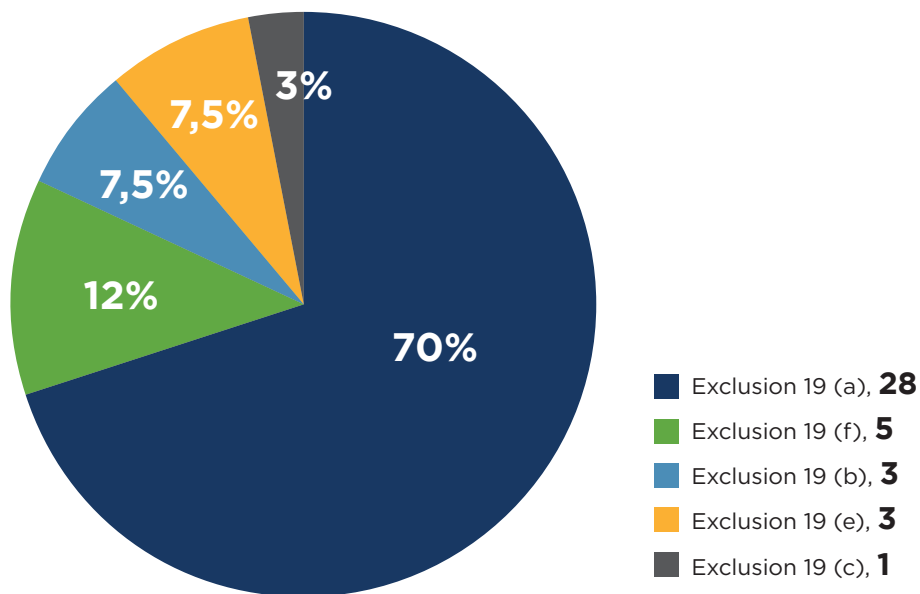
Table 3. Purpose of exclusions

- **Exclusion 19(a).** To separate issues and avoid the duplication of efforts when an existing office within the IDB Group already specializes in the subject matter.
- **Exclusion 19(b).** To be able to directly and specifically link the complaint's allegations of harm to a group of people.
- **Exclusion 19(c).** To prevent MICI from having to handle identical complaints leading to duplication and inefficient resource use.
- **Exclusion 19(e).** To ensure that the MICI process is carried out according to the latest version of the operation approved by the Board of Executive Directors, since operations may be subject to changes prior to approval.
- **Exclusion 19(f).** To ensure that the MICI process applies to operations where the Group may still have some degree of involvement and/or to prevent the Mechanism from reviewing operations that have ended a long time ago.

* Exclusion 19(d), which was rendered without effect in July 2021, is discussed in the Eligibility chapter, and in no case was it the determining factor in the decision on whether to register a complaint.

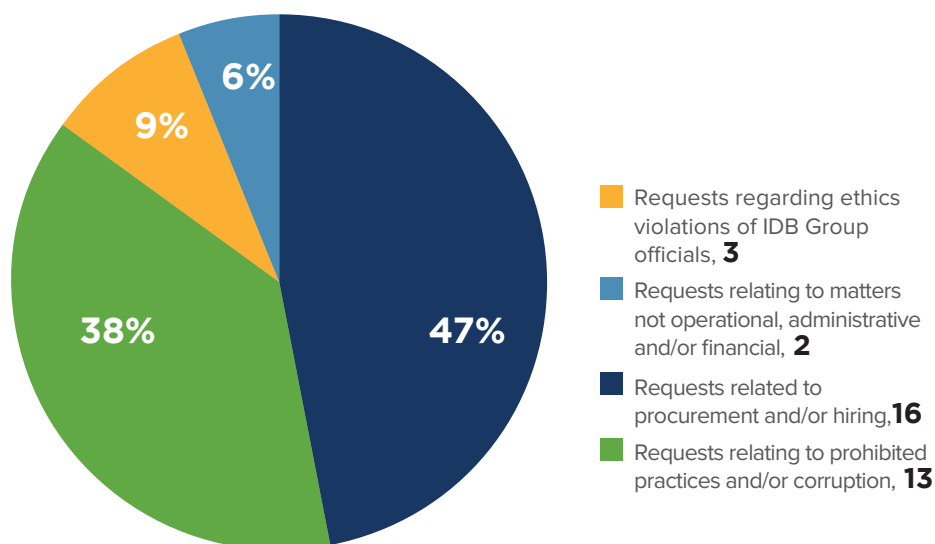
An analysis of the data in Figure 6 shows that of the 40 complaints that were not registered based on one of the exclusions in the MICI Policies, 70% concluded their processing with the application of exclusion 19(a). This exclusion refers to complaints that fall outside MICI’s mandate and are under the responsibility of other Bank offices. Second, far behind the 70%, are those (accounting for 12%) that were submitted more than 24 months after the last disbursement of the principal operation giving rise to the complaint.

Figure 6. Unregistered complaints by exclusion type



Source: MICI Database - Available in the Open Data portal.

If we focus our analysis specifically on the applicability of exclusion 19(a), we can see that most of the complaints received (47%) involve allegations related to the outcomes of procurement processes. Complaints that address issues of corruption or prohibited practices are in second place, representing about 38% (Figure 7).

Figure 7. Issues outside MICI's responsibility

Source: MICI Database - Available in the Open Data portal.

This information generates two important considerations regarding the processing of complaints:

- **Confusion about MICI's mandate and role of other Group units.** The fact that many of the unregistered complaints deal with matters that concern other IDB Group units suggests that some users may be unclear about MICI's mandate and role, as well as how the IDB Group presents and disseminates information about the other units.
- **Timely outreach.** In addition, the fact that some complaints are ineligible for a MICI process because they were received 24 months after the last disbursement was made on the operation, highlights the importance of disseminating information on the Mechanism in a timely manner during the life cycle of an operation.

To facilitate the process for complainants in the first instance above, MICI has instituted a practice of forwarding the information to the appropriate units whenever it receives complaints outside its scope of work. MICI informs the complainants that it cannot address the issues and allegations raised, provides information on the specific unit or department in charge of such matters within the Group, and requests permission to share the information it has received with that unit. At the same time, MICI informs the appropriate units of the complaint and, if authorized by the complainants, forwards all of this information to the unit.

To facilitate the process for complainants in the first instance above, MICI has instituted a practice of forwarding the information to the appropriate units whenever it receives complaints outside its scope of work. MICI informs the complainants that it cannot address the issues and allegations raised, provides information on the specific unit or department in charge of such matters within the Group, and requests permission to share the information it has received with that unit. At the same time, MICI informs the appropriate units of the complaint and, if authorized by the complainants, forwards all of this information to the unit.

As established in MICI Policies, all these actions are carried out within the first five business days after the complaint is received, so it is crucial for the person in charge of this activity to have a clear understanding of the attributes and responsibilities of various offices or departments to whom the complaints will be forwarded.

However, it would be faster, more direct, and easier if the IDB Group's web portal had a single place showing all available complaint options within the Group. As of the date of this publication, the IDB Group, including MICI, has taken steps to implement this change in order to enhance transparency, effectiveness, and accountability.

Regarding the second consideration above, which concerns the issue of timing, the evidence gathered by MICI highlights the importance of conducting outreach activities to publicize the Mechanism's work, mandate, and processes. It is essential to recognize the frustration of potential complainants when, possibly because they are unaware of MICI, they submit a complaint on issues that the Mechanism does address but which cannot be registered due to having missed the allowable deadline for the last disbursement (24 months) of a given operation.

This also underscores the need for the IDB Group to report promptly on the operations which are being financed in the region. In addition, project teams, project documentation, and project executors must also report on the existence of an environmental and social accountability system, as established in the new environmental and social policy framework for the IDB¹⁹ and in the IDB Invest sustainability framework.²⁰ Along the same lines, the dissemination of information about MICI and its process is not solely MICI's responsibility;²¹ rather, it should be considered an institutional responsibility that involves the entire Group.

19 Para. 7.3. of the IDB Environmental and Social Policy Framework

20 Paras. 19, 61 of the Environmental and Social Sustainability Policy of IDB Invest.

21 Paragraph 60 of the MICI-IDB and MICI-IIC Policies.

Box 4

MICI PRACTICE ON REGISTRATION AND ANALYSIS OF THE APPLICABILITY OF EXCLUSIONS

As we have seen, MICI's registration practice involves analyzing the applicability of the exclusions set forth in the Policy. However, the five business days provided for registration may not be enough time in some cases to conduct a thorough analysis of the Pertinence of some exclusions. The Policy states that the decision not to register should only be made when all of the issues raised in the complaint are clearly linked to an exclusion, notwithstanding that the in-depth analysis of the complaint related to the criteria for triggering the MICI process is carried out during the Eligibility Determination Phase.

The procedure for determining whether or not to register a complaint is useful as it allows for a timely and clear understanding, within a maximum period of five business days, of requests that are clearly outside the scope of MICI's responsibility. MICI takes into account the following considerations when deciding on the applicability of exclusions:

- ↘ When the issues raised are applicable to the mandate of other Bank offices. MICI receives, for instance, numerous requests related to corruption, ethics, management, and procurement issues, which fall within the remit of other offices.

- ↘ When the complaint clearly relates to a single operation that has not yet been approved or more than 24 months have elapsed since the last disbursement of that operation.

- ↘ When the complaint is anonymous.

If a complaint does not fall within any of the situations above, it will be registered and analyzed in detail during the Eligibility Phase to determine whether any of the exclusions apply and whether it meets the other criteria to initiate the MICI process.

Registration strives for procedural efficiency by preventing complainants from losing time while waiting for a decision that could result in non-eligibility, particularly when the issues are linked to the mandate of other offices such as the Institutional Integrity, Ethics, and Procurement Offices.

It is important to note that registration does not replace the eligibility analysis, which requires a review of several additional elements that cannot be assessed in this initial period of five business days.

Missing information in a complaint

In addition to those that are subject to exclusions, a significant proportion of complaints fail to advance in the MICI process because they lack necessary information. What is this information? As mentioned in the opening chapter, the analysis of each complaint considers these eight points or requirements:

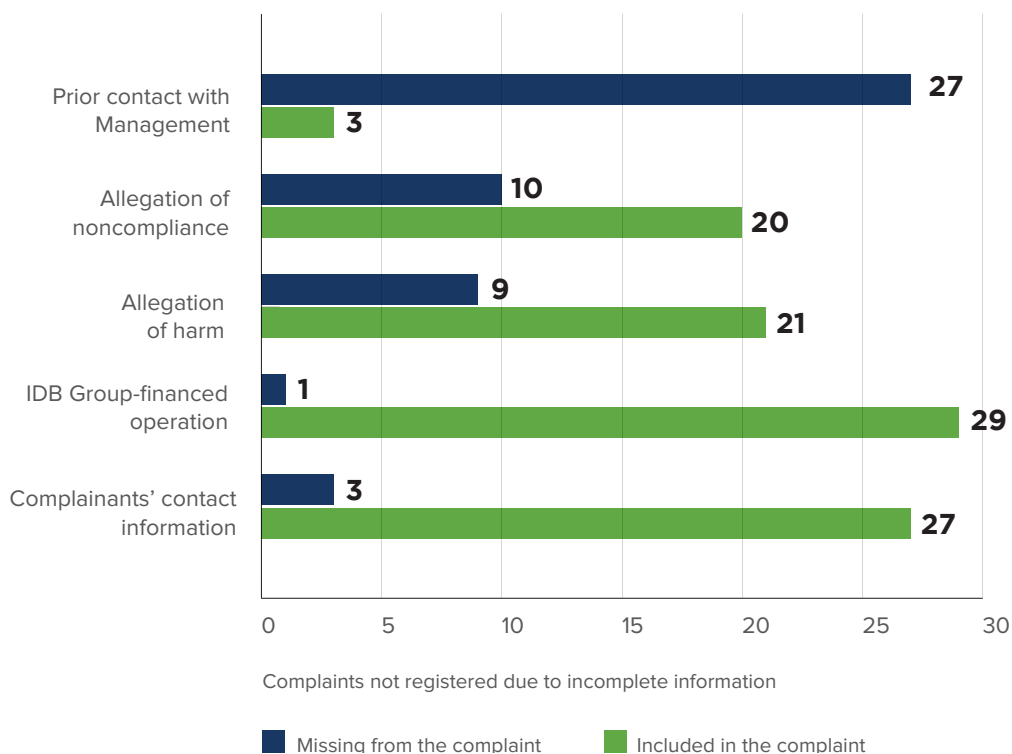
1. Contact information for the group of complainants.
2. Statement on whether they are represented, and if so, proof of the representative's legal authority to do so.
3. Indication of whether the identity of the complainants need to be kept confidential, and if so, why.
4. Reference to the IDB Group project that could cause the harm.
5. Statement of possible noncompliance with IDB Group policies.
6. Description of the direct harm experienced by the group of complainants.
7. Description of previous contacts held with IDB Group Management to address harm and outcomes obtained.
8. Selection of the MICI processing phase they wish to initiate.

A complaint must meet at least five of these eight requirements before it can be registered: *(i)* contact information, *(ii)* information on the IDB Group-financed project, *(iii)* statement of policy noncompliance, *(iv)* description of the harm, and *(v)* description of prior contacts with Management. The other requirements are reviewed during the eligibility determination process.

What can we learn from analyzing complaints that are not registered for lack of information, and what lessons can be learned from this analysis? As shown in Figure 8, in the 30 complaints that MICI received but did not register due to lack of information, the main requirements that were consistently missing from the complaints were: no evidence of prior contact with Management (absent from 27 complaints); lack of a clear statement of the allegations of noncompliance by the IDB Group (absent from 10

complaints); and lack of an explanation of the environmental and social harm to the group of complainants (absent from 9 complaints).

Figure 8. Missing information in the complaints received



*The numbers in the bars represent the number of complaints. One or more items of information may be missing from the same complaint.

Source: MICI Database - Available in the Open Data portal)

At this point, it is important to consider the context in which a complaint is written. It usually occurs at times when emotions are heightened, in contexts marked by a profound lack of trust and asymmetry of information, and may involve issues that sometimes predate the start of the project.

In such complicated circumstances, these three requirements (allegation of noncompliance, allegation of harm, and proof of prior contact) can lead to the perception that MICI and its process are difficult to access and bureaucratic.

Box 5

PRIOR CONTACT WITH MANAGEMENT: OVERCOMING DIFFICULTIES

The requirement to establish prior contact with Management is one of the most significant challenges for those who come to file a complaint with MICI. One of the main difficulties complainants faced was finding a way to establish contact and identify the right person within the institution.

These difficulties in complying with the requirement were due, in part, to the lack of a complaints management system within the IDB Group. However, efforts are being made to address this situation through the Group’s new environmental and social policies. The most recent evaluation of MICI by the IDB Group’s Office of Evaluation and Oversight also identified shortcomings in the way Management dealt with the complaints that did reach them directly^a (total lack of response, lack of follow-up, directly bypassing MICI, and relatively lengthy delays, among others). It was also observed that the type of response provided by Management varied, in form and content, depending on the responding team and subsequent interactions. All this underscored the need to establish internal complaint handling channels that were well coordinated with MICI.

In response, both the IDB and IDB Invest have established standardized procedures to address environmental and social complaints. The IDB has implemented the Environmental and Social Grievance Protocol (hereinafter “Protocol”), while IDB Invest has established the Management Grievance Mechanism (MGM). These initiatives, together with the project-level complaints offices and MICI, make up what is now known as the IDB Group’s accountability ecosystem.

Both the Protocol and the MGM, in close coordination with MICI, continue to explore how best to integrate these different options and ensure that this does not create additional requirements and constraints for those who need responses to environmental and social problems that negatively affect their communities.

Before these new standardized procedures entered into force, in cases where no prior contact had been established, MICI had, as good practice, acted as a liaison between complainants and project teams, facilitating the exchange of information between them.

(a) Evaluation of the Independent Consultation and Investigation Mechanism. OVE. 2021. Para. 3.13.

Therefore, it is crucial to understand the circumstances of the potential users of a grievance office in order to facilitate maximum access and guarantees the right to file complaints. These mechanisms must constantly take actions and make improvements (as explained in the sections below) to ensure that the procedural aspects of filing a complaint do not become an additional concern or the focus of the problem. They must also take special care to keep their processes from exacerbating the conflict and/or harm that may be occurring.



It is crucial to understand the circumstances of the potential users of a grievance office in order to facilitate maximum access and guarantees the right to file complaints.
Image: Group of complainants for the “Productive Infrastructure Program” | Haiti

Reaching those affected: absolute priority

As stated in its policies, MICI can assist potential complainants in understanding what information should be included in the complaints, without providing technical advice on substantive aspects of a complaint. How has this assistance been implemented in practice? What actions have been taken to facilitate access to MICI for those potentially affected by an IDB Group-financed project? We will discuss this in the next section.

Constant adaptation

MICI is always monitoring developments in the broader context in order to adapt its processes to the needs of complainants.

Thus, for example, and bearing in mind that some affected people have difficulty describing the harm suffered and its link to possible noncompliance with the Group's environmental and social policies, MICI has provided the option of receiving complaints in more user-friendly formats, such as videos, in which complainants can more easily present their allegations of harm and their concerns. These videos can be submitted in any language of the region.

Another example of adapting to the circumstances has been to change how initial contact with the group of complainants is established. Before 2020, MICI used to make a phone call to inform the complainants about its process, collect additional information about the complaint, and explain the next steps. Given the expansion of video calling practices and platforms during the pandemic, the Mechanism has evolved to prioritize this method thus allowing for face-to-face virtual interaction.

Increase of teaching material and workshops

Access to MICI depends to a large extent on people's awareness of the Mechanism's existence. That is why both MICI Policies²² established the need to conduct outreach activities with external and internal IDB Group audiences.

In its efforts to promote access, MICI is constantly looking for new ways to make itself known. These activities include generating diversified and targeted content for different audiences. For example, tables or lists (Figure 9) are created in various languages, offering a visual representation of the basic requirements for the registration of a complaint and making it possible to identify missing information at a glance.

The Mechanism has also produced *flowcharts* and *brochures*, in the Group's official languages, to simplify the understanding of the MICI process, time frames, and scope of work.

These efforts are complemented by MICI's ongoing outreach activities through various events and forums with potential complainants and CSOs in the region. During these activities, we provide an overview of the Mechanism's scope of work and review in detail the information that should be included in a complaint. Feedback is also sought on the requirements that are most difficult to meet, and possible reasons for not meeting them are analyzed. These events are held in different languages, in different countries, both in person and virtually, in order to reach the greatest number of people

22 MICI-IDB and MICI-CII Policies, para. 60.

Figure 9. Checklist of complaint requirements

WHAT DO WE NEED TO INCLUDE IN THE COMPLAINT?

The complaint must be filed in writing, but there is no specific format. The important thing is to include all of the information listed below:

- Names and contact information for each complainant (email, telephone number, address, and country of residence).
- If you require confidentiality due to fear of reprisals.
- Representative's name and contact information, if one has been designated. It is important for the complaint to be accompanied by a written authorization signed by the complainants, in order for that person or persons to represent you.
- Description and location of the project, also if known, the name and number of the project.

For information about IDB projects:

<https://www.iadb.org/en/projects>

For information about IDB Invest projects:

<https://www.idbinvest.org/en/projects>

For information about IDB Lab projects:

<https://bidlab.org/en/impact#projects>

- Detailed description of the harm you are suffering or believe you may suffer in the future as a result of the project, and the reasons why you feel the IDB Group is responsible for these harms.
- Detailed description of any prior efforts to contact IDB Group staff in order to seek a remedy, and the reply you received. It would be helpful to include a copy of the communications sent and the replies received. If you have not had previous contact with IDB Group personnel, mention that as well.
- Your complaint should state whether you wish to avail yourself of the Consultation Phase, the Compliance Review Phase, or both. If you are unsure, you may ask MICI for information that will help you make a decision prior to filing the complaint.

Extension of the Registration phase

The current MICI process allows complainants to be granted an extension of up to 10 business days to gather the missing information if their initial complaint does not have all the necessary items for registration.

Extensions have been granted on 33 occasions, and in 17 of those complaints (51%) the complainants returned within the specified period with all the necessary information. However, in the remaining 16 complaints (49%), there was no further contact with the complainants.

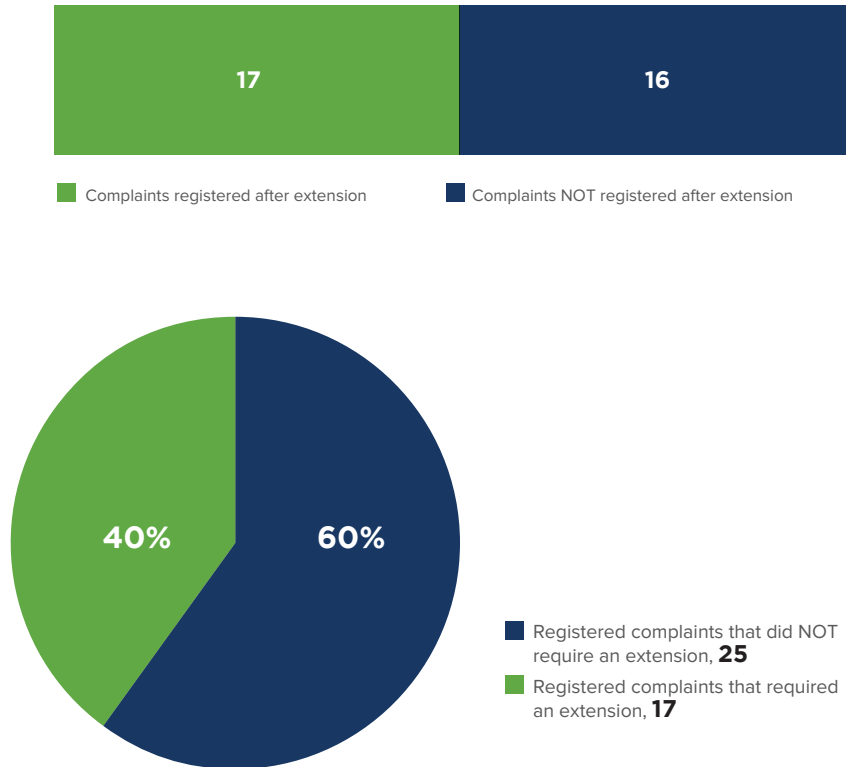
Regarding these 16 complaints, procedural fatigue may have been the main reason for their discontinuation. In many cases, before turning to MICI, complainants have already approached the complaint mechanism at the project level and/or at the IDB or IDB Invest. When they come to MICI as a last resort after their concerns have not been addressed, this extension may be perceived as an additional barrier that drains resources, time, and efforts from those seeking a solution to their problems.

MICI Policy grants the Mechanism discretion in deciding whether or not to allow this extension. In MICI's years of experience in implementing these Policies, provisions have been established to benefit stakeholders, manage expectations, and ensure predictability. For example, we have recognized that if there has been no previous contact of complainants with Management, it is very difficult to adequately address the issues in just 10 business days. In these cases, MICI has decided that it is preferable not to register the complaint and to facilitate contact between the stakeholders so that the issues can be given the proper attention.²³

However, if we consider the 42 registered complaints as a point of reference, the evidence shows that this extension option has only been used to a moderate extent. Of the 42 registered complaints, 25 (60%) did not require an extension of the deadline, while 17 (40%) did need an extension (Figure 10).

23 In the case of complainants who allege a potential risk of reprisals, as will be discussed in the following section, MICI does not require compliance with this provision.

Figure 10. Extension of the Registration phase



Source: MICI Database - Available in the Open Data portal.

Model letter

The current MICI Policies contain a sample letter designed to assist potential complainants in the presentation of their complaints. This letter provides a basic explanation and leaves blank spaces for complainants to detail their particular situation. Its purpose is to minimize, as much as possible, the difficulties associated with creating a document from scratch, as well as the uncertainty that arises when starting a claim process. It should be noted that three of every five new complaints received by the Mechanism have used this letter as a starting point.

Confidentiality and fear of reprisals

We cannot end our registration analysis without discussing how requests for confidentiality are handled. MICI Policies contemplates the possibility of receiving complaints that seek to maintain the confidentiality of the complainants' identities. However, the MICI process requires that these confidentiality complaints be linked to the potential for reprisals related to the filing of the complaint.

The relationship between confidentiality and fear of reprisals calls for careful consideration by the Mechanism's team, starting from the moment the complaint is received. This team is responsible for identifying local contexts, potential stakeholders, past and present problems, episodes of violence in the area, and the capacities and vulnerabilities of those affected.

But what does the data from the complaints filed with MICI tell us? Of all the complaints handled between 2014 and 2022, 60 (33%) asked for the complainants' identities to be kept confidential during the MICI process, and the last few years have seen a steady increase in such complaints.

MICI takes the risk of reprisals faced by complainants very seriously, as this risk not only acutely affects their lives and those of their loved ones, but also has serious chilling effects on their willingness and ability to exercise their right of complaint. This is also true for project-affected communities.

For this reason, the Mechanism has made considerable efforts to disseminate information on this issue, promoting and fostering awareness within the IDB Group and among its external audiences. These efforts have been reflected in such documents as *Addressing controversies in contexts of high polarization and risk of reprisals*, *A Guide for Independent Accountability Mechanisms on Measures to Address the Risks of Reprisals in Complaint Management* and the *Guidelines for Addressing Risk of Reprisals in Complaint Management*.

**FOR INDEPENDENT
ASURES TO ADDRESS
RISK OF REPRISALS
COMPLAINT MANAGEMENT**
A Practical Toolkit



**DIRECTRICES PARA
ATENDER EL RIESGO
DE REPRESALIAS
EN LA GESTIÓN DE
SOLICITUDES**

Mecanismo Independiente
de Consulta e Investigación
Grupo BID

de seguridad o los incidentes
represalias en sus informes
antes. Dichas disposiciones

Sensible

a aquella información sensible
Solicitud en la que haya sido
para ser protegida en sistemas

aso en el que se ha identificado
para en archivos con acceso
nación y protegida a la identidad
un alias para la tramitación del
os respectivos en las plataformas
altos para restringir el acceso a
personas ajenas al trámite de una

En caso con riesgo de represalias
formas digitales no seguras. Los
particular atención a los metadatos
en archivos o documentos que se
con los Solicitantes, evitando que
en horas.

El soporte del caso serán de acceso
al MICI encargados de la tramitación

El audio o video será
podrá utilizarse con
tras haber con

MICI has produced a practical toolkit and internal guidelines to address the risk of reprisals.

IV. Eligibility Determination

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The Eligibility Determination Phase is the next step after the complaint has been registered. In this phase, MCI will determine whether the complaint meets the criteria for advancing to be processed in subsequent phases.

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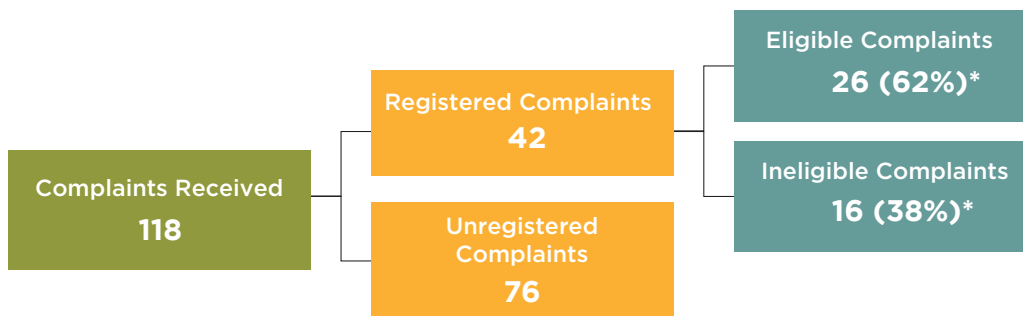
The Registration and Eligibility Determination Stages appear to have similar requirements in terms of what must be reviewed under MICI policies. Both phases are supplemented by a more detailed analysis of the situation. However, after those complaints that clearly cannot be handled by the Mechanism are excluded at the Registration Phase, the Eligibility Determination Phase provides a more suitable period of time to delve into the three key components of a complaint (noted in Figure 1): information related to the harm, the complainant, and the operation.

Thus, for example, the Eligibility Determination Phase provides a better understanding of what is happening in the IDB Group-financed operation, beyond what is contained in the official documentation. It also seeks to understand the challenges faced by project teams and executing agencies at the local level and how these challenges have been addressed. During this period, we also strive to gain a detailed understanding of what the complainants are facing and the local context in which they live. This makes it possible to identify the potential harm and how it is occurring or could occur, as well as its possible link to the IDB Group's actions or inactions.

The purpose of eligibility determination is to ensure that complaints that meet the established criteria (which will be explained below) can be managed impartially by MICI. Facilitating a better understanding of the situation in which they arise, Eligibility Determination is the phase that lets us establish which complaints can become cases and begin to understand whether and how the concerns raised can be resolved.

Between 2015 and 2022, 42 complaints were registered and went through an eligibility determination process. As Figure 11 below reveals, 26 of these 42 complaints were declared eligible after meeting all the criteria established in the MICI Policies (as described below). The vast majority of these eligible complaints 22 (87%) concern IDB operations, while the remaining 4 (7%) relate to IDB Invest operations. As of this report, the Mechanism has not declared eligible any complaint related to IDB Lab.

Figure 11. Eligible and ineligible complaints



* Percentage of the total number of registered complaints.

Source: MICI Database - Available in the Open Data portal.

This chapter will address several aspects of the Eligibility Determination Phase. First, it will explain the eligibility criteria used to evaluate complaints. In addition, certain particularities of this phase will be examined, such as prior contact with the stakeholders or the possibility of a temporary suspension. It will then analyze what happened to those complaints that did not advance in the MICI process—that is, those that were not deemed eligible—exploring the circumstances and reasons why these complaints did not meet the eligibility criteria. Lastly, we will analyze in detail the characteristics of those complaints that were declared eligible and were advanced to the Mechanism’s phases, examining how they met the applicable requirements and what relevant factors were considered as they moved forward.

Eligibility criteria

MICI Policies specify five eligibility criteria²⁴ (Table 4), each of which has its own interpretation (Table 5). All of these criteria must be met in order for a complaint to advance in the process.

Table 4. Definition of the criteria

Criterion (a). The complaint is filed by two or more persons who believe that they have been or may be adversely affected and who reside in the country where the Bank-Financed Operation is implemented. If the complaint is filed by a representative, the identity of the complainants on whose behalf the complaint is filed should be indicated and written proof of representation will be attached.

Criterion (b). The complaint clearly identifies a Bank-Financed Operation that has been approved by the Board, the President, or the Donors Committee.

Criterion (c). The complaint describes the harm that could result from potential noncompliance with one or more of the relevant Operational Policies.

Criterion (d). The Complaint describes the efforts that the complainants have made to address the issues in the complaint with Management and includes a description of the results of those efforts, or an explanation of why contacting Management was not possible.

Criterion (e). None of the exclusions set forth in paragraph 19 apply.

²⁴ See Box 3.

Table 5. Interpretation of the criteria

Criterion (a). Verify that MICI has all the information about the group of complainants, understands its internal dynamics, and has a good understanding of the local context.

Criterion (b). IDB Group projects are not the only ones implemented in the LAC region, and they coexist with operations of other multilateral institutions and governments. This review makes it possible to identify, in particular, whether the operation that is the subject of the complaint is financed by the IDB Group.

Criterion (c). We must be able to connect the plausibility of the harm to the issues covered by the Relevant Operational Policies, as well as to what has or has not been carried out by the IDB Group.

Criterion (d). Verify that MICI is truly being used as a mechanism of last resort or identify the reason why prior contact with Management did not occur.

Criterion (e). This criterion has two purposes:

- Verify and correct, if necessary, any exclusions that were not properly identified at the registration phase.
- Prior to July 2021, the existence of any legal proceedings was verified (exclusion 19 (d)).

Interacting with all stakeholders: maintaining impartiality

During this phase, the Mechanism has its first interaction with all stakeholders involved in the complaint received. Current MICI Policies allow for this interaction to occur early on before the initiation of either phase. These interactions not only generate very useful information for subsequent processes and analysis, but also promotes the principle of fairness by facilitating the transparent exchange of information and open discussion.

As for Management, although MICI Policies specifically state that the main vehicle for this interaction is the “Management’s Response” document, project teams and the Mechanism have expanded this contact to other formats such as meetings, video calls, and visits. These meetings involve different members of the Management team and even staff from the executing agency. During these interactions, information is shared about project implementation and challenges faced, while MICI provides a step-by-step explanation of its process, what to expect from the next phases, and the scope of its work.

With regard to the complainants, the phase coordinators are formally incorporated into the processing of the complaint during the Eligibility phase. This allows the leaders of the dispute resolution and investigation process to interact transparently. These interactions provide complainants with detailed and first-hand information on the process of each phase, and facilitates an open discussion on what to expect from the Mechanism should the complaint be declared eligible.

During the Eligibility Determination Phase the MICI team may also conduct visits to the complaint site (Box 6). This supports the principle of impartiality by allowing the team to engage directly with the stakeholders, in a place they deem appropriate, to hold working meetings and clear up any doubts about the Mechanism’s work.

It’s important to note that no matter the outcome of the Eligibility Determination Phase, MICI informs all stakeholders of the next steps, and remains open to transparently explain its analysis and conclusions presented.

Thus, at the end of this phase, MICI will have interacted with all the stakeholders, both virtually and/or in person, prioritizing the principle of impartiality that informs complaint processing from the early phases of the process to its conclusion.

Image: Eligibility mission for the "Ituango Hydropower Plant" | Colombia



Box 6

ELIGIBILITY DETERMINATION VISIT: UNDERSTANDING THE CONTEXT

MICI Policies allow the Mechanism to conduct visits to the area of impact of the project that gave rise to the complaint. During these visits, the MICI team meets with the complainants and the executing agency or client in order to present the MICI process in detail, including its scope and limitations. These meetings also allow for gathering of information on the project, its environmental and social impacts, and how these impacts have or have not been managed. They also allow for collecting any other information relevant to assessing the requirements outlined in MICI Policies and better understand the various perspectives on the issues at hand.

These local visits add great value to the process, and some key benefits are highlighted below:

- ↳ Local visits allow the Consultation and Compliance Review Phase teams to meet and personally become acquainted with the stakeholders involved in case the complaint is declared eligible.
- ↳ These visits provide the opportunity to see the areas where operations are implemented and interact directly with both IDB Group and executing agency staff working in the area, which offers a unique perspective and a better understanding of the context in which operations are carried out.

- ↳ Experience has shown that these visits not only assist in the eligibility determination process and provide information beyond what is described in the complaint, but also speeds up the process of analysis for the initial stages of both phases.

From 2014 to 2022, MICI has conducted 15 local visits to 8 countries in the region: Argentina, Brazil, Chile, Colombia, Costa Rica, Haiti, Paraguay, and Peru.

It is important to note that these visits have not remained static and have evolved to adapt to the changing local circumstances. The COVID-19 pandemic forced the Mechanism to seek new ways of obtaining the necessary information and streamlining the process. MICI has thus taken advantage of new technologies and the growth of virtual meeting formats in the region to perform, when appropriate, remote eligibility determinations. However, it also recognizes the complexities that can arise when handling complaints entirely virtually. To adapt and balance both extremes, MICI analyzes which is the most efficient and effective format to use in order to access the necessary information, understand local dynamics, and address the complexities encountered during the implementation of operations.

Temporary suspension of the eligibility phase

A distinct feature of MICI-IDB and MICI-IIC Policies is that the project team may request a temporary suspension of the eligibility determination process.²⁵ This suspension can last up to 45 business days and is intended to allow the team to make corrections to the Bank operation. The suspension must be authorized by MICI's director, who must receive a specific plan and timetable of activities from the project team.

At the end of the suspension period and before restarting the Eligibility Determination Phase, MICI consults the project team and the complainants to ascertain the results of the suspension. Both parties' perspectives are considered in the complaint admissibility analysis.

Historically, Management has used the suspension period to perform several actions. In some cases, Management has undertaken complementary studies on the project's environmental and social impact in the area in question. In other cases, mediation has been attempted between the complainants, executing agency, and the Bank, without MICI's active presence.

Since this optional delay procedure was introduced, IDB Management has been the only party to ask for a suspension. It made five such complaints, three of which were granted. However, in all these cases, the complainants felt that their concerns had still not been met at the end of the suspension period. Of the two cases in which the complaint for a suspension was not granted, one was denied due to the lack of an action plan (to address the concerns) and in the other the conditions were deemed unsuitable due to fear of reprisals.

It's relevant to note, that this delay procedure was established during a period in which there were no internal complaint mechanisms within the Group's own management structure. At that time, the lack of standardized and systematized process for responding to incoming complaints generated procedural inefficiencies.

25 This suspension would be requested via Management's Response

In this context, suspension was seen as an innovative and useful solution that gave Management and the project teams a final opportunity to address complainants' concerns by making timely and necessary corrections.

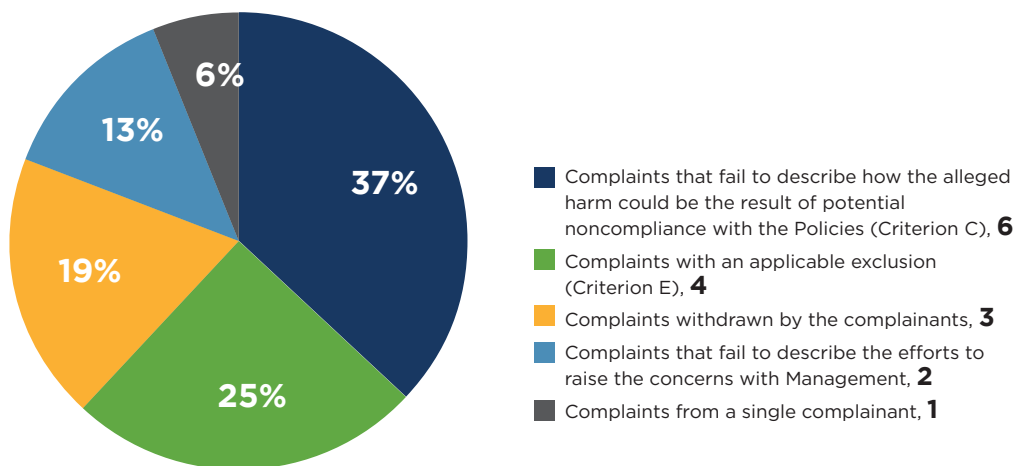
Experience in managing these suspensions has shown that, although it appears on paper to be an instrument that offers the opportunity to adjust projects to prevent harm from occurring or to mitigate its effects, in practice it can have unexpected effects. The allotted time is often insufficient and, at times, has led to increased mistrust and a worsening of relations between the parties, undermining subsequent dialogue processes. Over time, this procedure has been used less and less, reaffirming the value of MICI's intervention as a neutral and independent third party in dispute resolution and/or investigation processes, effectively providing impartiality and certainty to the stakeholders.

With the entry into force of the internal Management-led grievance mechanisms that have established complaint handling procedures, it is likely that the suspension option will be used less often, and the project team's efforts will focus on interactions prior to the triggering of a MICI process.

Ineligible complaints

What do the numbers tell us about the complaints that were not eligible, and what insights can be gained from this data? The evidence gathered shows that the main reason for finding a complaint ineligible was the absence of a description linking the alleged harm to a potential instance of noncompliance with the Group’s operating policies. Figure 12 shows the breakdown of reasons for determining that a MICI process could not be initiated. It should be noted that, as of this writing, all of the ineligible complaints referred to the existence of an IDB operation.

Figure 12. Breakdown of ineligible complaints



Source: MICI Database - Available in the Open Data portal.

Several conclusions can be drawn from this information. First, because the vast majority of ineligible complaints are found to be ineligible because they fail to identify potential or actual harms related to noncompliance with operational policies, it is important to prioritize the identification of potential harms from the moment a complaint is received.

Given this reality, MICI has paid greater attention to identifying the alleged harm as early as the Registration Phase, thus preventing a complaint from

proceeding to the Eligibility Phase without a clear identification of this issue, even if only preliminary. This initial identification not only helps to better manage the stakeholders' expectations, but also allows for a more efficient management of complaint processing times.

Of the four complaints that were ineligible because they fell under one of the exclusions listed in MICI Policies, all involved complaints in which all of the issues raised were the subject of arbitration or judicial proceedings²⁶ (Box 7). It should be noted that this clause is no longer applicable as of 1 July 2021. In two of the complaints that were deemed ineligible, the decision also related to a second exclusion which is the request being received more than 24 months after the last disbursement to the operation in question.²⁷



Photo taken by the MICI team during the eligibility process of an ineligible case in Brazil. | Brazil

²⁶ Exclusion 19(d).

²⁷ Exclusion 19(f).

Box 7

INTERPRETATION OF THE LEGAL CLAUSE

Clause 19 (d) of the MICI Policy excluded from its scope of applicability those “complaints raised in a Request that are under arbitration processes or judicial review in an IDB member country.” Thus, in accordance with this clause, any complaint whose allegations coincided with an issue or matter that was already being dealt with in an arbitration or judicial proceeding (known as “matter identity”) was excluded from the MICI process and could not trigger either of its subsequent phases. This exclusion applied regardless of whether the complainants were the ones who had or had not initiated the legal process.

However, as of 1 July 2021, this clause was rendered without effect following a decision made by the Executive Boards of Directors of the IDB and IDB Invest in response to one of the recommendations included in the most recent evaluation carried out by OVE (RE-542-1). In its evaluation, OVE considered that the so-called legal exclusion had “the greatest impact on the mechanism’s ability to function properly and on whether the MICI can address requesters’ complaints,” as it excluded from the mechanism’s consideration important issues raised by

the complainants, with the associated reputational risk that this could potentially entail.

Since the entry into force of the current MICI Policies on 1 July 2021, MICI performed 31 eligibility determination analyses, identifying active legal cases in 19 complaints. Of these, the legal exclusion was applied in its entirety (all the issues raised were the subject of legal proceedings) only four times, while in the other 15 cases it was applied partially (only some of the issues raised in the complaint were also the subject of legal proceedings) so those issues were not part of the MICI process.

Although this exclusion is no longer grounds for declaring a complaint ineligible, MICI continues to identify such complaints in its complaint analysis and in the Eligibility Determination Memorandum, so that the teams can take this information into account in the subsequent phases of the case.

Characteristics of eligible complaints

After several years of operating and managing complaints, MICI has accumulated a great deal of information that has allowed us to create a classification system for the complaints that have advanced in the Eligibility phase. We will analyze this classification system and its characteristics in the section below.

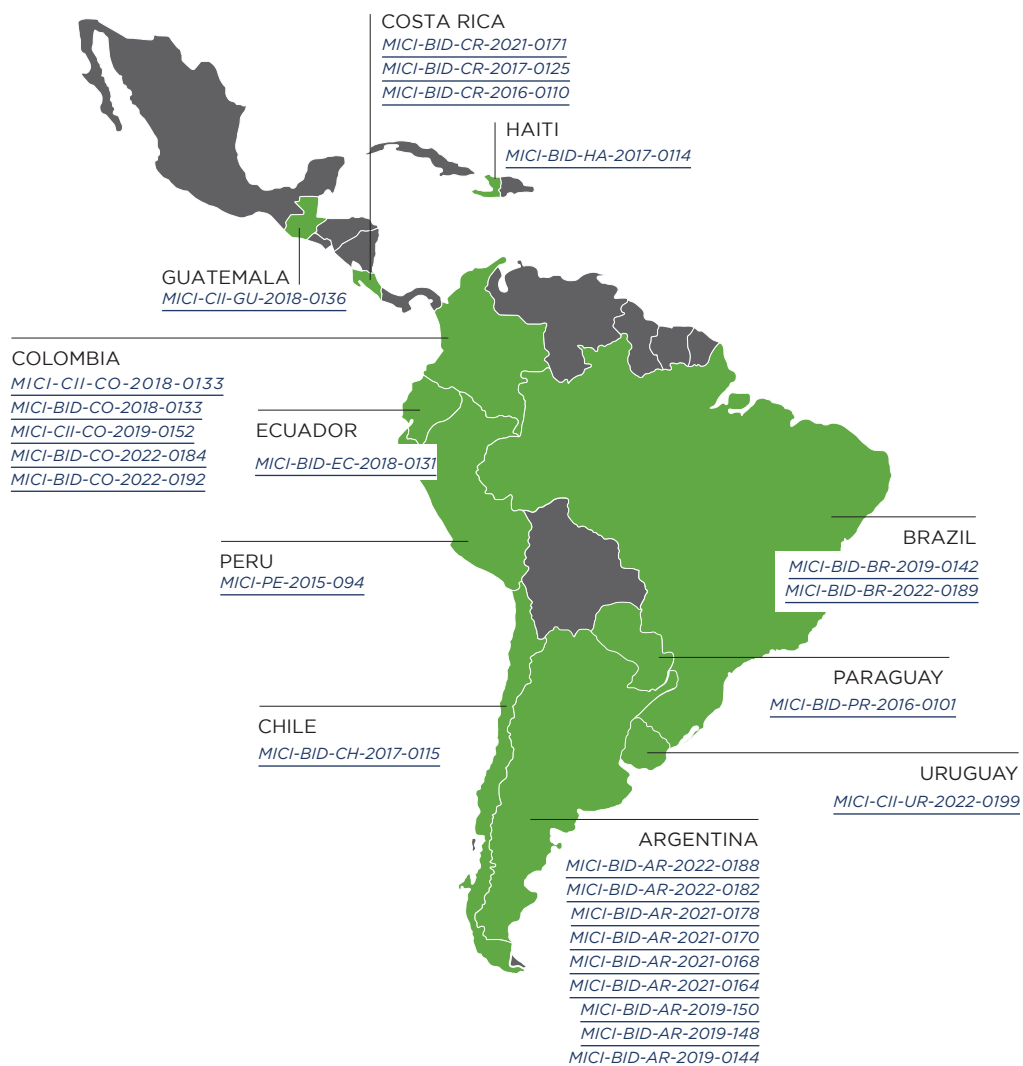
The gathering of this information allows MICI to identify common trends and peculiarities in the cases it handles. This, in turn, improves decision-making both internally within the Mechanism (for example, in annual budgeting or in the identification of thematic concentrations that might require additional expertise or training), and in its interaction with the IDB Group (e.g., deciding on which sectors and offices to focus its internal communication efforts) or externally, with potential complainants or civil society organizations (e.g., determining where to focus outreach events so that those who need to access MICI can do so).

This information is also of great value to the IDB Group at the institutional level, as it provides evidence of the recurring environmental and social risks faced by Group-financed operations. Knowing in advance how these risks occur and where they may materialize will enable project teams to make more effective preventive decisions going forward.

Where do eligible complaints come from?

In terms of where they originate, the countries with most of the 26 eligible complaints are Argentina (nine complaints, 34%), Colombia (5 complaints, 19%), and Costa Rica (3 complaints, 11%). Figure 13 shows the geographic breakdown of all the complaints in the study period.

Figure 13. Geographic breakdown of eligible complaints



What are they about?

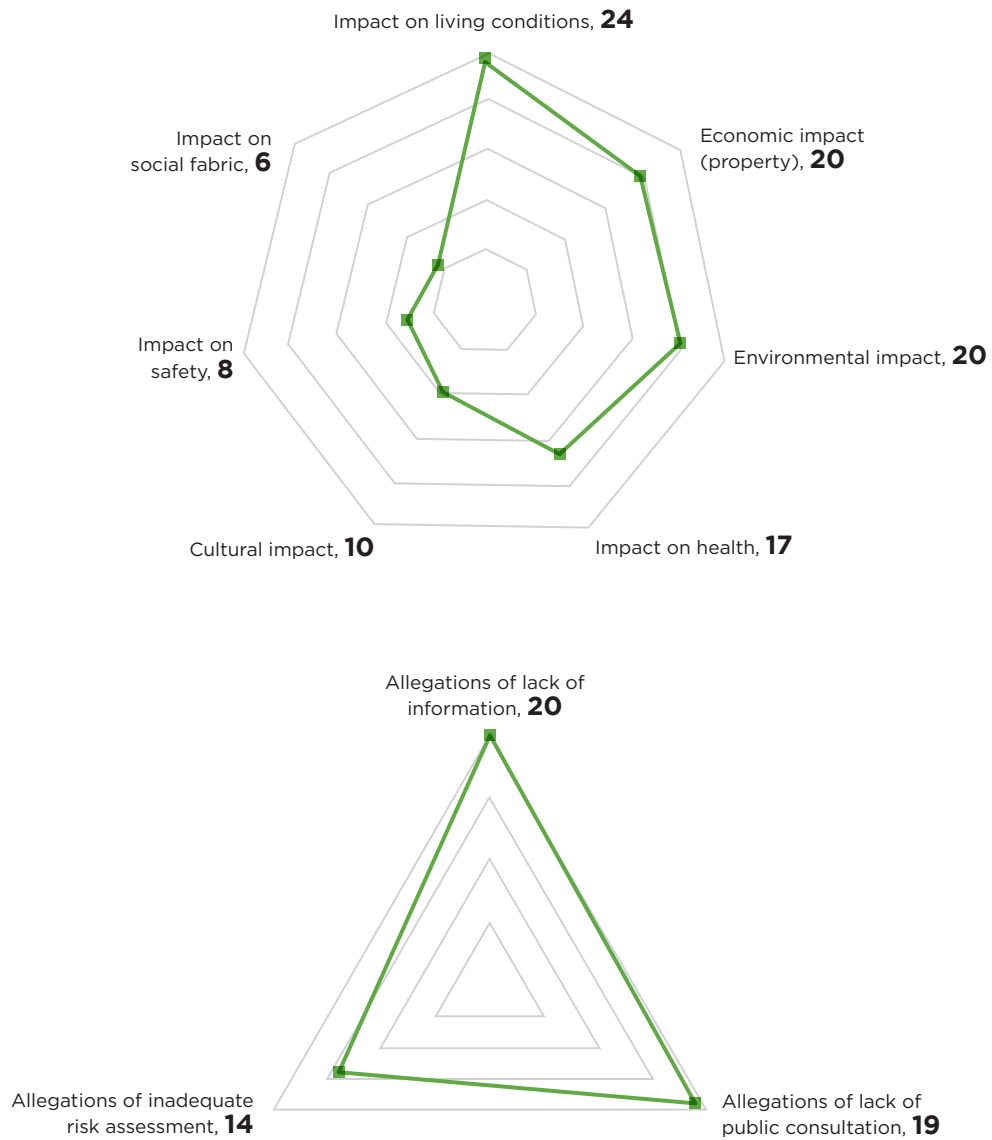
Most of the harms alleged in the complaints declared eligible (Figure 14) falls into four categories: harm to livelihoods or living conditions, environmental harm, property damage, and health issues, in that order. It is also common to find allegations of noncompliance related to a lack of information and adequate public consultation.

For this analysis, the same categories were used as those identified in the document *Analysis of the Complaint Portfolio 2010-2017*, which are defined in Box 7.



The case “Reconquista River Basin Environmental Sanitation Program” in Argentina describes the potential damage to quality of life and access to public services due to the construction and distribution of sewer pipes and collectors, which are part of the Environmental Sanitation Program. | [Argentina](#)

Figure 14. Allegations of harm and noncompliance referenced in eligible complaints



*The numbers in both graphs reflect the total number of complaints that contained the referenced allegation. A single complaint may contain one or more of these allegations.

Source: MICI Database - Available in the Open Data portal.

Box 8

ALLEGATIONS OF HARM AND NONCOMPLIANCE

Definitions of alleged harms

Environmental impact. The project contributed to the cause or increase of air, soil, water, noise, odor, or dust pollution. Included, as well, are adverse impacts on biodiversity, natural resources, protected species, climate change, ecological services, among others.

Cultural impact. The project has interfered with or threatened aspects of past and/or present practices of the community where requesters reside, related to traditional or historic cultural infrastructure and/or heritage that is considered to be of critical value by the affected community for transmission to future generations. This includes adverse impacts on intangible heritage such as language, visual arts, music, religion, beliefs, and customary practices.

Impact on living conditions. The project has contributed to adverse economic impacts on requesters, whether through the loss or disruption to livelihoods and/or income generation; increased cost of living; and restricted access to means of production, public infrastructure, or sites of interest. It also includes impacts arising from involuntary resettlement.

Impact on social fabric. The project has had an impact on the social patterns and norms of the community in which requesters reside and/or has created and/or deepened divisions within that community.

Impact on health. The project has contributed to the introduction of disease and/or a decline in the health of requesters. It also includes limiting access to medical services and/or medicines (modern or traditional).

Impact on safety. The project has contributed to an increased perception of insecurity, violence, or abuse in or against the community in which requesters reside.

Impact on property. The project has affected the property of requesters through damage, destruction, or expropriation.

Definitions of alleged noncompliance

Inadequate risk assessment. The identification of impacts in a project: (i) was not carried out correctly by one of the IDB Group institutions; (ii) did not include the risks perceived by Requesters; or (iii) is not considered reliable.

Lack of community engagement. Requesters consider that: they were not adequately consulted about the impacts of the project and/or involved in the decision-making process; the consultations were not sufficiently disseminated; the consultations only included selected stakeholders; the consultation meeting records did not accurately reflect the content of the discussion; that they were conducted in a language unfamiliar to the community; or that consultations were not conducted in a culturally sensitive format.

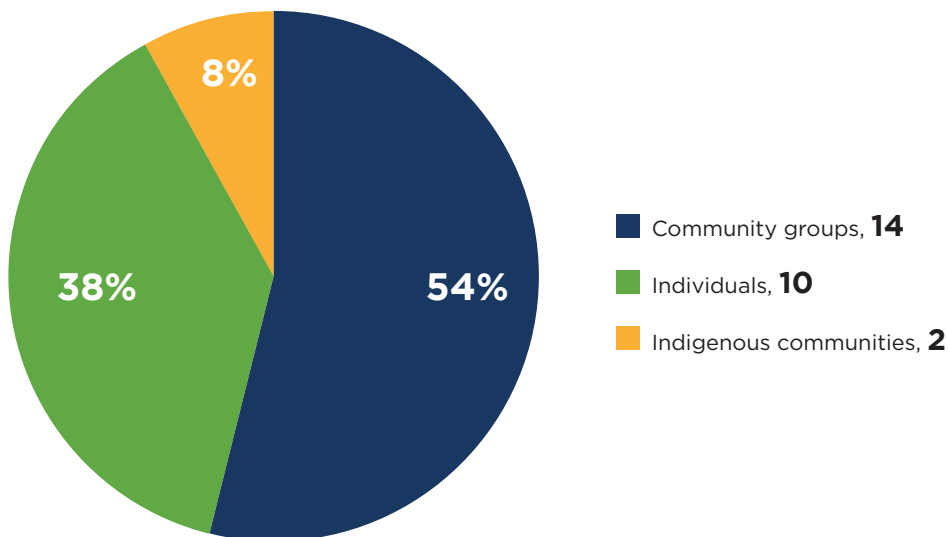
Lack of information. Requesters consider that they lack sufficient and timely information or lack any access to information needed to determine how a project would affect them.

Who is utilizing MICI and how?

The analysis of the initial phases of the MICI process provides relevant data on who are the most frequent users of the Mechanism and how they use it. Historically, community groups or individuals have been the ones to submit eligible complaints and, subsequently, to initiate a Consultation Phase and/or Compliance Review Phase process. In comparison, complaints from indigenous communities have been less common.

As for how complainants wish to seek resolution for their complaints, MICI Policies state that complainants must specify the type of process phase they wish their complaint be handled if declared eligible. Of the 26 eligible complaints, 88% (23 complaints) asked for both the Consultation Phase and the Compliance Review Phase. In just 3 cases (12%), the complainants chose only the Compliance Review Phase. As of this analysis, no complainant has opted to use only the Consultation Phase.

Figure 15. Types of complainants with eligible complaints



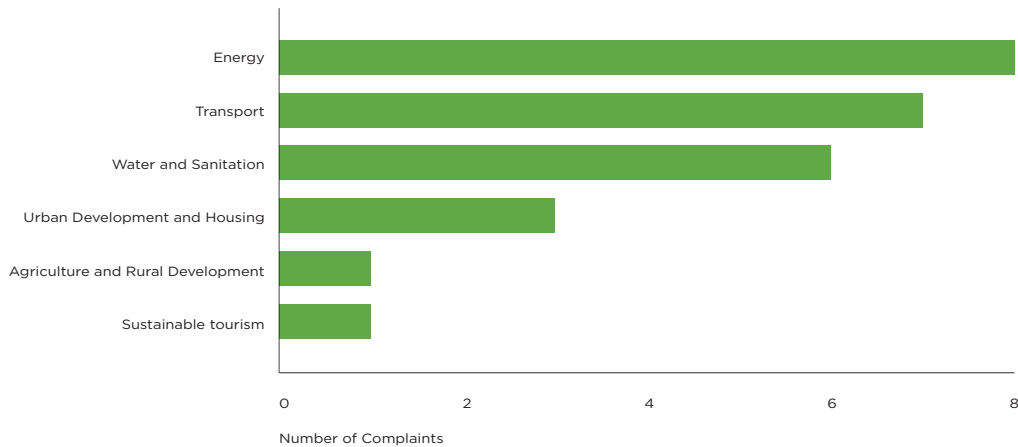
Source: MICI Database - Available in the Open Data portal.

What kinds of projects are subject to complaints?

Finally, regarding the types of projects that give rise to complaints, we note that 26 eligible complaints are linked to 21 operations.²⁸ Below, we will analyze the characteristics of these operations, including the sectors to which they belong, their classification, and their environmental category.

In terms of sectors, most of the eligible complaints were concentrated in three main areas (Figure 16): energy (8 complaints), transport (7 complaints), and water and sanitation (6 complaints), which account for almost 81% of all complaints. Urban development (3 complaints), agriculture and rural development (1 complaint), and sustainable tourism (1 complaint) make up the remaining 19%.

Figure 16. Sectors of the operations referenced in eligible complaints



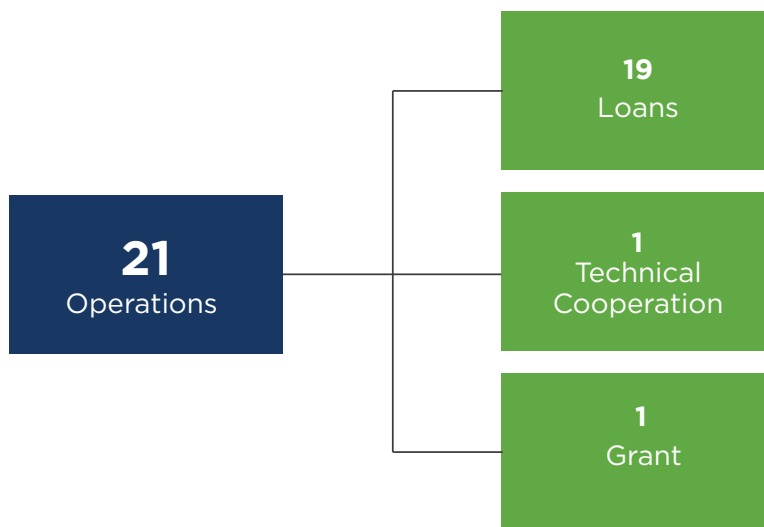
*This figure shows the total of 26 eligible complaints, including those operations that have more than one complaint associated with them.

Source: MICI Database - Available in the Open Data portal.

28 The total number of projects is lower than the number of eligible complaints due to the fact that some operations give rise to more than one complaint.

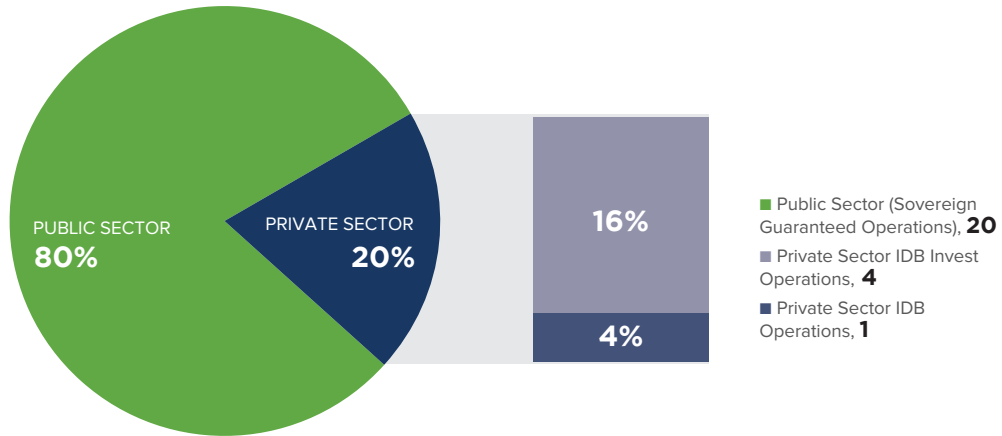
In terms of the type of operation, most were loans. Of the 21 operations to which the complaints refer, 19 involved loans (Figure 17). In addition, most of these operations (80%) belong to the public sector (Figure 18). As for the status of operations, the overwhelming majority are still in the implementation phase (92%) (Figure 19). The environmental category of projects is, however, more evenly distributed, with a slight advantage for medium risk (category B, 54%) over high risk (category A, 46%) projects. (Figure 20).

Figure 17. Type of operation in eligible complaints



Source: MICI Database - Available in the Open Data portal.

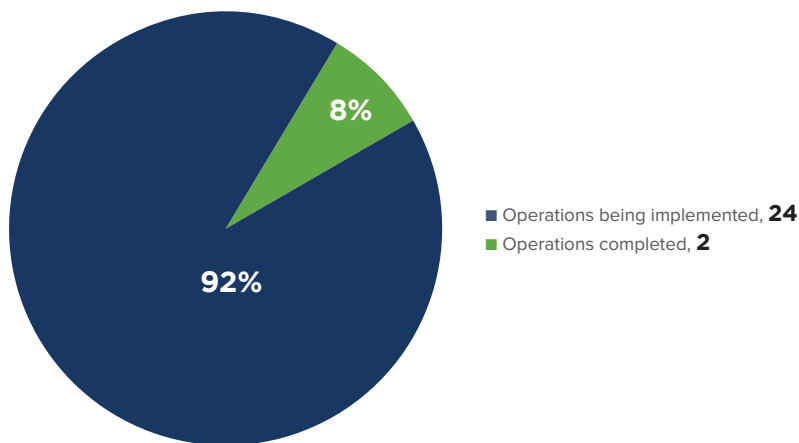
Figure 18. Sector of operations referenced in eligible complaints



*This figure shows all 26 eligible complaints, including those operations that have more than one complaint associated with them.

Source: MICI Database - Available in the Open Data portal.

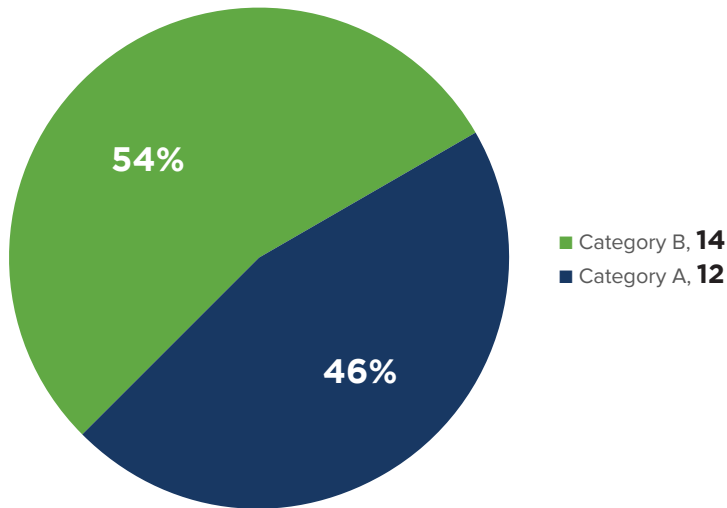
Figure 19. Status of operations when complaints are declared eligible



*This figure shows all 26 eligible complaints, including those operations that have more than one complaint associated with them.

Source: MICI Database - Available in the Open Data portal.

Figure 20. Environmental category of operations referenced in eligible complaints



* This figure shows all 26 eligible complaints, including those operations that have more than one complaint associated with them.

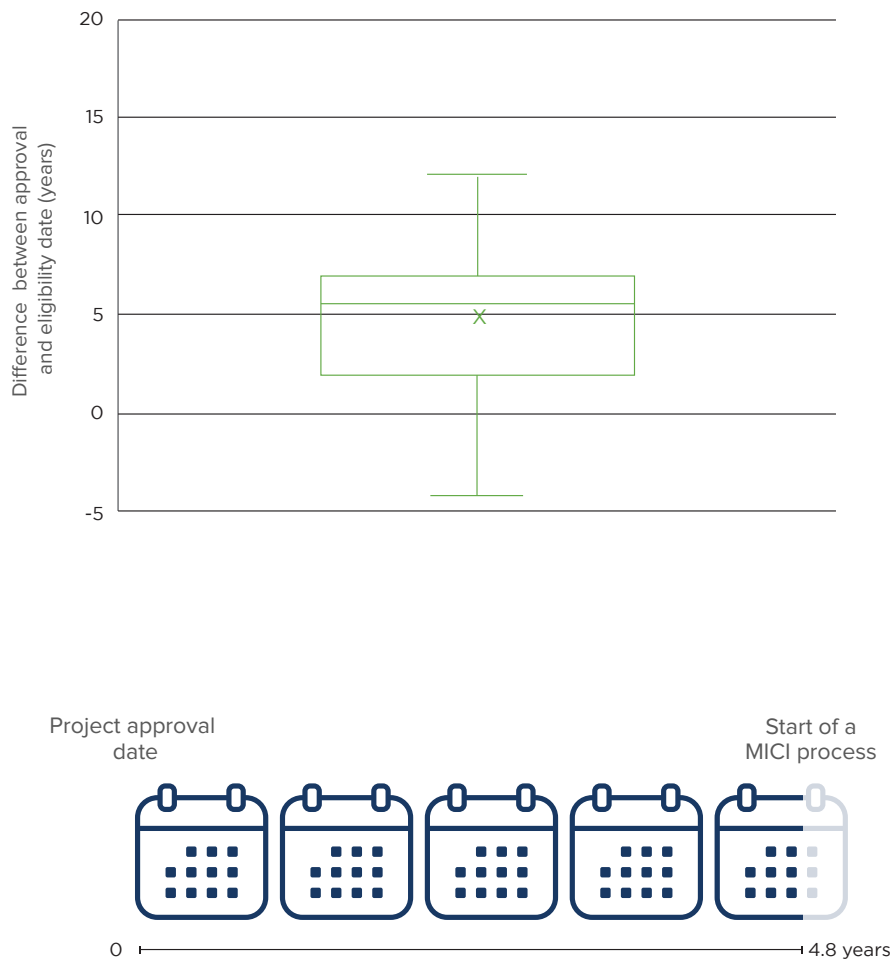
Source: MICI Database - Available in the Open Data portal.

In addition, MICI has noted that the average disbursement rate of operations in the implementation stage with eligible claims is around 45% of the total amount allocated.

At what point in the project cycle do complaints arise?

MICI has found that, on average, about five years elapse between the time a project is approved and the time a complaint is considered eligible for one of the phases (Figure 21).

Figure 21. Average time between the date of an operation’s approval and the date on which the complaint is declared eligible by MICI



Source: MICI Database - Available in the Open Data portal.

MICI case profile

Considering the above information, we have profiled the type of project most likely to generate a complaint. These are mostly loan operations in infrastructure sectors, currently in the implementation stage, and environmentally categorized as medium risk.

The data also show that eligible complaints tend to be filed by community groups or individuals, and focus on four categories of harm: living conditions, environmental, property, and health, in that order.

Another significant trend concerns the lapse of time between a project's approval and a complaint's eligibility for one of the phases of the MICI process, which is about five years. This detail is significant when considering the type of harm most frequently alleged in the complaints as mentioned in previously. A five year lapse means that MICI is intervening in a conflict that may have been brewing for years, with all that this entails in terms of strain between the stakeholders. It is therefore crucial to streamline the initial steps of the process as much as possible and avoid unnecessary bureaucracy. By this logic, the timely management of the Group's entire accountability ecosystem, both through the project-level complaint mechanisms and the Management-led grievance mechanisms, takes on greater relevance. If these potential impacts can be identified and resolved early in the project cycle, it will increase the likelihood of preventing the alleged harm from materializing.

This time lapse also presents a challenge for IDB Group Management since, due to staff turnover, it is highly likely that the team responsible for approving the operation will not be the same team that interacts with MICI in later years, after the complaint has been received. This can also pose challenges for executing agencies, as the government team that requested, analyzed, and started the execution of a particular operation may have changed. In the case of the private sector, interests or incentives for the operation may differ from when the project began. All of these potential drawbacks can directly affect the subsequent handling of the complaint by either of the MICI phases.

Still, we note positively that most operations that give rise to a MICI process are at the implementation stage, with only half of the total amount of the operation's financing disbursed. This provides the Group with sufficient leverage and influence to take action and address the allegations.

Finally, statistics is a reliable and objective tool that helps us collect, analyze, and present relevant information in order to ponder, generate learning opportunities, and overcome the challenges that arise. However, the data does not demonstrate absolute patterns. Rather, they reflect the portfolio of MICI cases, which accounts for about 5% of the portfolio of projects financed by the IDB Group between 2014 and 2022.

Statistics are also not infallible and should not be taken as an assertion that a project with the characteristics described here is necessarily destined to generate a complaint. Ultimately, we must understand that the arrival of a complaint is a multidimensional phenomenon with a convergence of numerous factors such as: environmental and social concerns, political processes, national circumstances, historical contexts, and economic cycles. They also include other factors such as: the organizational level of groups within and outside society; the culture of community empowerment; the openness of media and social networks; and the availability of internet access. This plethora of information can serve as a wake-up call about the areas in which we should be especially careful about.

V. General Reflections



Through its collaborative work with all stakeholders, MICI enables the voices of the most vulnerable to be heard at the highest levels of the Bank, thus helping to enhance and strengthen the Group's commitment to improving lives and sustainable development in the region.

MICI's main function is to address the concerns of people who believe that any project financed by the IDB Group has caused (or could cause) them some type of harm. Through its collaborative work with all stakeholders, MICI enables the voices of the most vulnerable to be heard at the highest levels of the Bank, thus helping to enhance and strengthen the Group's commitment to improving lives and sustainable development in the region.

In this connection the request or complaint which encapsulates all these concerns, is an instrument that must be managed and analyzed humanely from the moment it is received.

This note has focused on identifying a set of good practices in managing environmental and social complaints from communities in the region related to development projects being implemented where they live or work. The frame of reference for this task is the management of the MICI process in relation to these complaints. Its objective, however, is to serve as a guide for a wide audience, both internal and external and general or specialized, that wishes to understand how these mechanisms work in their critical initial stages.

Lessons learned

What are the main considerations derived from the information gathered in this note and what can we learn from them? We list them below:

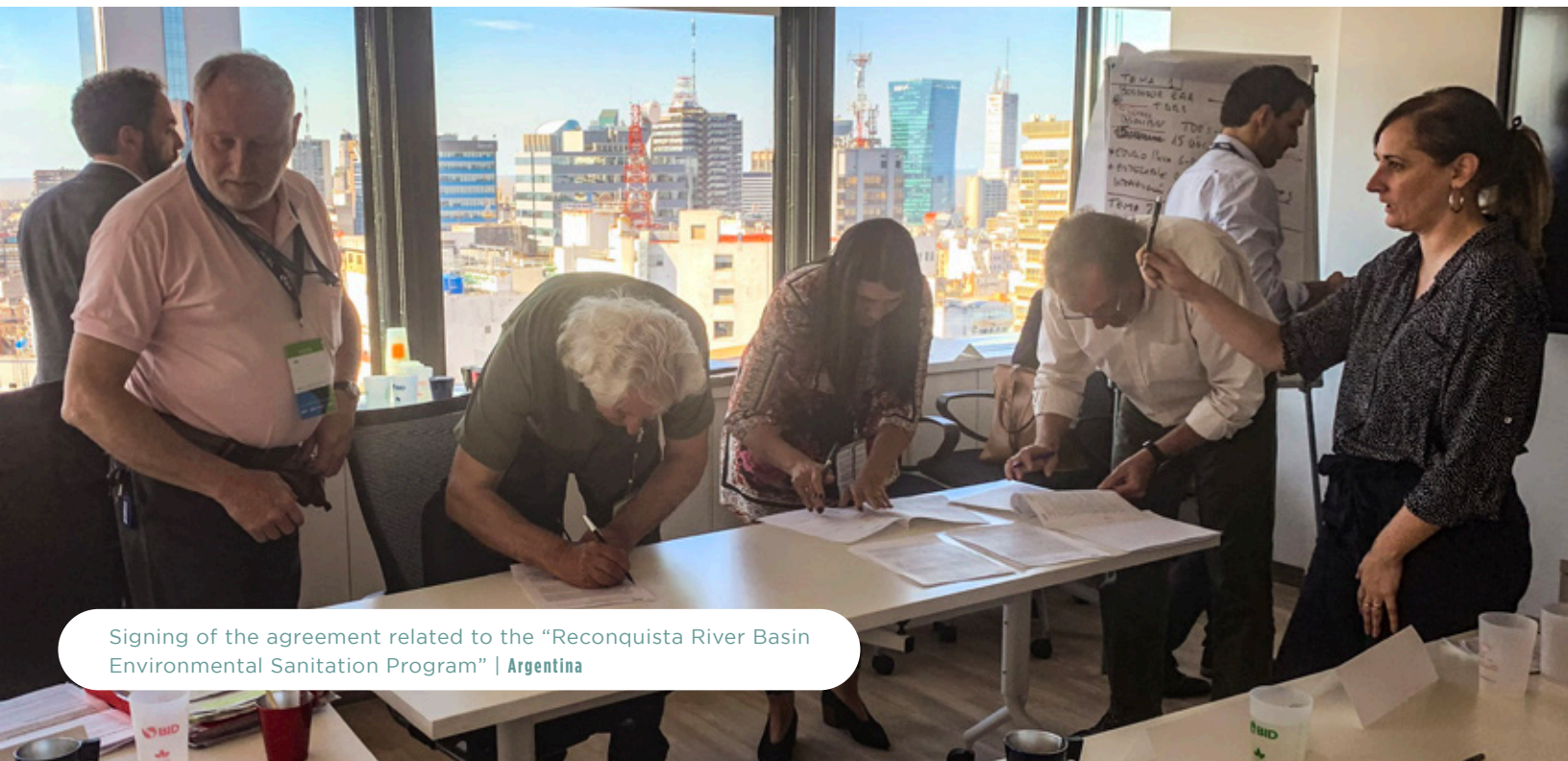
Personalized attention and direct interaction: an added value from the start

MICI's experience has shown the enormous value of personalized attention and initial interactions with the stakeholders. We have seen that the way in which we interact with complainants (potential and actual) from the very beginning has a critical impact on the rest of the process.

Registration should not be seen simply as a bureaucratic process. Although the central task during the first few days is to ensure that the complaint meets all the formal requirements for processing, Registration is the first direct interaction between MICI and the complainants (and, in many cases, it may be the first interaction a person has with someone in the IDB Group).

In these initial stages, when our work shapes and lays the groundwork for the management of the case in subsequent phases, it is important that the outreach to the stakeholders be humane in nature. Registration has a direct impact—positive or negative—on the complainants' predisposition and will influence how they experience the rest of the MICI process. The Eligibility Phase allows for a better understanding of the complainants and their contextual reality, as well as the challenges and difficulties faced by the Bank's operation at the local level.

It's clear that building trust, analyzing contexts, responding quickly, understanding current circumstances in the region, and being willing to listen, are essential features that must be present at the initial phases of complaint management.



Signing of the agreement related to the “Reconquista River Basin Environmental Sanitation Program” | Argentina

Efficient management

The data compiled in this note shows that not all complaints that reach MICI are automatically accepted, and that many are found ineligible. Therefore, it is important to promptly identify those which cannot move forward. This lets us better manage complainants’ expectations and avoid unnecessarily aggravating their situation of harm.

The delicate balance between accessibility and minimum requirements

Potential users’ perception of a mechanism like MICI is shaped by variables such as the information required, complaint formats, communication channels, or who may or may not trigger the complaint process.

For this reason the requirements asked of potential users must strike a balance between obtaining the information MICI needs to start working and ensuring maximum accessibility to the Mechanism. Any imbalance in this requirement can create problems. Thus, for example, the more information that is requested up front, the greater possible perception that an attempt is being made to limit complainants' access. Conversely, if clear, minimum information is not required from the outset, the perception may arise that completing this information is the Mechanism's responsibility.

In addition, allowing complaints to be submitted in an open format reflects a commitment to ensuring fair and transparent intake processes, and also means understanding potential users' forms of communication. Every complaint office must evolve along with the communities and areas in which it works.

Continuous adaptation and improvement

One of the main lessons learned over the years is that every management process can be improved and must evolve according to the needs of its users. Gathering information and identifying impediments to access is vitally important in order to keep the Mechanism from becoming outdated and its process from becoming irrelevant.

Prioritizing attention to the complaint

MICI's experience highlights the importance of establishing predictable and transparent intake processes that are compatible with the potential users to be served. The aim is to strike a balance between minimum information requirements and simple means to trigger the Mechanism, ensuring, above all, the right of complaint.

Making sure complainants are understood and humanized

The culture of accountability refers to the commitment and enabling environment in an organization or in society at large to undertake the process of addressing and resolving complaints or grievances. A strong culture of accountability is characterized by openness and recognition of the importance of complaints, and by a widespread perception that complainants are valued and dealt with fairly and effectively, encouraging the constructive submission and resolution of complaints.

Accountability is crucial for multilateral development banks to ensure transparency and accountability in their operations and projects. However, there are often limitations that affect the value that complainants and the issues they raise can bring to the institution, such as lack of knowledge about available complaint mechanisms, difficulties in accessing them, or lack of trust that complaints will be handled impartially and effectively. If these complaint mechanisms are not fully utilized, or if their use is constrained due to procedural or access problems, the end result is weak and fictitious accountability.

As a key tool for sustainable development, complaint handling mechanisms must constantly evolve to adapt to the contexts in which they operate. Achieving this requires learning from past experiences, both positive and negative, as it is precisely this learning that helps to improve such mechanisms and prevents them from becoming irrelevant.

MICI is no exception, and in the next decade it will need to analyze how to further improve its processes to adapt to a constantly changing world. This reality encompasses a region that is more connected and has weathered a global pandemic, but has also become more polarized and violent, especially for environmental and human rights defenders.

The Registration and Eligibility Determination Phases give MICI a predictable and transparent process for initial complaint management, making it possible to analyze information and identify elements that are relevant to its management (what, how, when, and why) and are useful for the subsequent processing phases. The complaint, with all its complexity, must be analyzed, handled, and resolved, as it provides a clear opportunity for institutional strengthening, improvement, and growth.

A complaint mechanism that does not work properly not only undermines its potential users, but can also generate economic costs and reputational risks for any organization. The proper functioning of these mechanisms strongly epitomizes the importance of transparency and accountability in a strong organizational culture.



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