DISCUSS, INFORM OR INVOLVE?
COMMUNITY CONSULTATIONS
AND ACCESS TO INFORMATION
UNDER MICI’S ANALYSIS

COMPLIANCE REVIEW PHASE
INSTITUTIONAL REFLECTIONS PROGRAM
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**GLOSSARY**

**Access to Information Policy.** IDB Invest’s access to information policy

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

**Bank-Financed Operation or Project.** Any Group investment or other financing activities, whether with or without sovereign guarantee (public or private sector).

**Board.** The Board of Executive Directors of the IDB or the IIC.

**Client.** The entity that is designated in the relevant legal agreements to execute all or part of an operation financed by IDB Invest.

**CRP or Phase.** Compliance Review Phase.

**Directive B.5 of OP-703.** Directive on environmental evaluation requirements.


**EIA.** Environmental Impact Assessment.

**ESMP.** Environmental and Social Management Plan.

**ESMR.** Environmental and Social Management Report.

**ESPF.** IDB’s Environmental and Social Policy Framework.

**ESRS.** IDB Invest’s Environmental and Social Review Summary.

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

**IDB Group.** Composed of the IDB, IDB Invest and IDB LAB.

**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.

**Management.** The IDB Group’s manager or managers in charge of the relevant Bank-Financed Operation or any delegate thereof.

**MICI Policy.** Reference to the MICI-IDB and MICI-IIC Policies.

**MICI.** Independent Consultation and Investigation Mechanism of the IDB Group.

**MICI-IDB Policy.** The Policy of the Independent Consultation and Investigation Mechanism for the IDB. The Policy, which was approved by the Board of Executive Directors on 17 December 2014, has been in force as of that date and was revised in December 2015 to ensure consistency with the MICI-IIC Policy (MI-47-8).
**MICI-IIC Policy.** The Policy of the Independent Consultation and Investigation Mechanism for the IIC. The Policy, which was approved on 15 December 2015, has been in force as of that date (CII/MI-1-4).

**MIF.** Multilateral Investment Fund.


**OP-703.** Operational Policy on Environment and Safeguards Compliance.

**OP-710.** Involuntary Resettlement Policy.

**OP-761.** Policy on Gender Equality in Development.

**Performance Standards.** Environmental and social standards of the International Finance Corporation. Adopted as standards applicable to IDB Invest projects due to its Environmental and Social Sustainability Policy.

**PS1.** Performance Standard 1. Evaluation and management of environmental and social risks and impacts.

**Public Registry.** Online file containing all the public documents related to the requests received by the MICI, in accordance with the provisions of paragraph 62 of the MICI Policies.

**ROP.** Relevant Operational Policies. The ROP applicable to projects approved by the Board is the version in force at the time of approval of the Bank-Financed Operation related to the request, unless otherwise specified in the relevant policy or legal documentation.

**Reprisals.** Acts of intimidation, threats, harassment, punishment, legal proceedings, or any other act of retaliation against those who express their opinion or opposition in relation to a project financed by the Bank, a third party related to the project or the borrower.

**Request.** A communication submitted by the Requesters or their representative that alleges that they have suffered or may suffer harm due to the failure of the Bank to comply with one or more of its Relevant Operational Policies within the context of a Bank-Financed Operation.

**Requesters.** Any two or more people residing in the country where a Bank-Financed Operation is implemented who have submitted a Request to MICI.

**Sustainability Policy.** IDB Invest’s Environmental and Social Sustainability Policy.
Within the framework of its interventions to respond to environmental and social issues, in addition to proactively working to ensure that the operations of the IDB Group have a positive impact in the region, **MICI helps develop relevant lessons on environmental and social sustainability areas, based on the analysis and findings of its investigations.** Thus, in addition to handling complaints, MICI executes an institutional learning program that reviews the results of our case management experience.

**MICI Reflections** program was launched in **2018** to **share and foster institutional reflection**, based on the **experiences** of MICI itself, and to strengthen the operations of the IDB Group, by gathering **lessons learned**. In addition to **creating knowledge products**, the program also organizes **institutional exchange opportunities**, in close cooperation with the agencies of the IDB Group (or “the Group”) and, making use of these knowledge products, it maintains an ongoing dialogue with **civil society organizations** and other accountability mechanisms.

As regards publications, the program has so far produced two documents: the first one, **Analysis of MICI Request Portfolio 2010-2017**, analyzes the type of claims received by the Mechanism, while the second one, **Consultation Phase. Nine Years of Experience in Dispute Resolution**, reviews the experience of the dispute resolution process at MICI.
The Compliance Review Phase has investigated 11 cases to date. In image, MICI interview during the investigation into El Dorado International Airport, in Bogotá, Colombia.
INTRODUCTION

What is the Compliance Review Phase?
MICI is the IDB Group’s independent accountability office. It manages requests from communities that might have been affected by projects financed by the Group when they have suffered or could potentially suffer an impact as a result of the failure to comply with the environmental and social safeguards of the Bank. The Mechanism has two instruments to handle a complaint: the Consultation Phase (CP), a dispute resolution mechanism for the parties to attempt to reach an agreement, and the Compliance Review Phase (CRP), which involves conducting an independent investigation under the recommendation of MICI and approved by the Board of Directors of the IDB or IDB Invest, to verify whether the IDB Group complied with its environmental, social and information access standards.

The Compliance Review Phase investigation process is aimed at determining whether an action or omission by the IDB Group, within an operation financed by the Group, could have failed to comply with its environmental and social policies, and to determine if this could have contributed or might contribute to direct substantial harm to the parties presenting the complaint.

The result of these investigations is presented in a Compliance Review Report. These reports present findings on compliance and non-compliance with the IDB Group’s environmental and social policies with respect to the alleged complaints. They also include recommendations—when non-conformities are identified—aimed both at redirecting the project towards compliance with the policies of the IDB Group, and at preventing non-conformities identified from recurring in other projects, by way of recommended institutional measures. The investigations do not review the role or the actions of other parties involved in an operation financed by the Group, such as executing agencies, clients, or consultants.

It should be noted that the scope of the CRP reports is limited to issues whose investigation has been approved by the Board of Executive Directors of the IDB or IDB Invest, based on a Recommendation and Terms of Reference submitted by the Mechanism. Any investigations eventually conducted do not entail a general review of a given project, but rather stem from the allegations and the issues posed by the requesters in their complaint.
The CRP by the numbers

Between **2010 and December 2021**, MICI received a total of **181 complaints, 39 of which were deemed eligible**. In the same period, **46% of eligible complaints (18 out of 39) were processed through the Compliance Review Phase**; **20% (8 out of 39) entered the CRP directly after being declared eligible for requesting this phase only**, while the remaining **10 complaints were initially processed by means of the CP; MICI’s dispute resolution process, before entering the CRP.** Thus, **in this period, the CRP has processed 18 cases**, eight of which have directly been referred to the CRP from the eligibility stage, and **10 following the closure of the CP**.

**FIGURE 1. COMPLAINTS MANAGED BY THE CRP 2010-2021, BY SECTORS**

Most projects reviewed under the CRP are from the transport and energy sectors. The most common countries involved in these investigations are Brazil and Colombia.

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1. MICI’s policies establish a set of minimum requirements for submitting a complaint, which the Mechanism reviews on its reception. For a complaint to “be eligible,” it must meet these requirements. See MICI’s policies for the IDB and IDB Invest, Section G, Determination of eligibility.

2. Upon submitting a complaint, the complainant can choose the phase desired. If both are selected, first comes the Consultation Phase, MICI’s dispute resolution process, but the complainant may also choose to go directly to the Compliance Review Phase, without previously undergoing the Consultation Phase.

3. To learn more about the complaints received and processed by MICI, see the [Mechanism’s Public Registry](https://mechanism.idb.org/en/register) and [MICI’s Open Data Portal](https://openidb.org).
Of the 18 complaints processed by the CRP, MICI recommended an investigation in 15 cases and recommended against it in 3 cases. The Board of Directors of the IDB or the IIC (the agency that preceded the creation of IDB Invest) approved all the recommendations to investigate MICI, except for three. This means that MICI has investigated 11 cases. As of December 31, 2021, 10 investigations had been completed, including a Public Compliance Review Report. For more information about the CRP, see the previous section on MICI and the Compliance Review Phase.

ABOUT THIS NOTE
Following the publication of the two previous analyses, this document focuses on the Compliance Review Phase of MICI, intending to systematize some of the lessons derived from the various investigations conducted by this mechanism. These investigations, which are undertaken through an exhaustive document review, field visits, and interviews with the stakeholders involved, contain highly valuable information on the implementation of the environmental and social policies of the IDB group, which can prove invaluable to improving its practices. Specifically, this note focuses on two of the most common issues arising in compliance review reports: access to information and prior consultation. In the next few paragraphs, we will reflect on their importance by using examples from some of the cases.
analyzed by MICI. In the future, the program will continue and publish other documents on MICI, its Consultation Phase, and its Compliance Review Phase.

**What for (objectives)**

The IDB Group and its staff have established an ongoing dialogue on the actions required to comply with its environmental and social policies in the operations supported by the Group. The purpose of this document is to contribute to this dialogue and continuous improvement of the Group’s practices while implementing these policies. In particular, in terms of consultation with the stakeholders and access to information. To that end, the note sets three objectives:

- **To systematize the experience and lessons** derived from the 10 completed MICI investigations on the implementation of former environmental and social policies on access to information and consultation with stakeholders.

- **To systematize actions and changes introduced by the IDB Group** based on the findings and recommendations of MICI.

- **To conduct a first approach** to how the new environmental and social policy framework of the Group addresses the elements identified in MICI reports.

**For whom (audience)**

As mentioned above, MICI investigations are focused on reviewing the role of the IDB Group in terms of compliance with its environmental and social policies and, consequently, the reflections contained in this note are aimed precisely at that. MICI investigations **do not review the role** of other parties involved in managing an operation, such as clients, executing agencies, or consultants.

For this reason, the main audience of this document is the staff of the IDB Group themselves, notwithstanding the fact that, by providing information on the potential impact and outcomes that might be derived from MICI’s complaints and investigations, the note can also be valuable for complainants and civil society organizations that have been engaged or may have been engaged in a MICI process.

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4 To prepare this note, MICI organized a meeting with representatives from the IDB Group working on relevant consultation and information access issues, so that they could be part of a focus group. During this meeting, highly valuable feedback was received on the insights presented and the institutional changes based on MICI’s findings and recommendations.

5 Thus, this note does not include reflections on the role of clients or executing agencies involved in an operation. It should be noted that the new IDB Environmental and Social Policy Framework and IDB Invest Sustainability Policy clearly define the roles and responsibilities of the IDBG vis a vis the client/executor. More information is available under: [MPAS](https://www.iadb.org/en/micas) (2021) and [Sustainability Policy](https://www.iadb.org/en/sustainability) (2020).
Finally, the note may be a useful reference for a third group of beneficiaries: professionals involved in consultation and information disclosure processes for projects financed by multilateral development banks.

**PRIOR CONSIDERATIONS**

MICI investigations involve an independent review of the implementation of environmental and social policies applicable within the framework of a specific project and complaint. To that end, an extensive document review process is performed, including interviews with several stakeholders involved or related to the project (such as personnel from the IDB Group, the client or the executing agency, complainants, and stakeholders, among other parties). The result of this review is presented in a report gathering several findings regarding compliance (or non-compliance) with applicable environmental and social policies of the IDB, IDB Invest, or IDB Lab within the framework of a given project. As a result of this thorough investigation process, MICI’s reports contain valuable information on the implementation of the Group’s environmental and social policies.

**Evolution of MICI**

MICI, as the IDB Group’s independent accountability office, was created in 2010. In its early setup, the Mechanism did not have a Compliance Review Phase as structured under the current Policy. Investigations were exclusively conducted by an independent expert panel.

In 2014, the current MICI Policy was approved, creating a new structure and mandate for the Mechanism. The case sample analyzed for preparing this document covers MICI’s compliance review reports at both times.

The case sample analyzed for preparing this document covers ten compliance review reports published between 2012 and 2021. It also reviews the reports describing the actions implemented by the IDB Group to address MICI recommendations within the framework of its investigations. The following are the reports of the operations analyzed:

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6 Before 2010, the IDB had an Independent Investigative Mechanism (IIM) within its internal organization. The documents issued by this office are not part of the sample of cases analyzed. The current reflections are aimed at systematizing MICI’s knowledge as an independent office.

7 Annex 1 of this document includes the full list of cases analyzed.
• Pando-Monte Lirio Hydroelectric Power Project.
• Program to Improve Highway Corridors in Paraguay.
• Panama Canal Expansion.
• Mareña Renovables Wind Project.
• El Dorado International Airport.
• São José dos Campos Urban Structuring Program (USP).
• La Paz Storm Drainage Program II.
• Downtown Redevelopment, Modernization of Metropolitan Public Transport, and of Government Offices Project (hereinafter, Paraguay Metrobus).
• Alto Maipo Hydroelectric Power Project.

Below, we will develop a few prior considerations that help explain and contextualize the contents of this note.

**Access to information and consultation as recurrent issues.** The review of previous reports shows that, although MICI reports contain and develop several issues, access to information and consultation are two of the most relevant areas to start these reflections on the CRP, given their recurrent appearance in most of the documents analyzed. Thus, consultation-related issues are mentioned in all CRP reports, while access to information is addressed in six of the 10 reports analyzed. Subsequently, MICI will present additional notes systematizing reflections on other issues.
MICI recommendations and monitoring

According to its Policy, MICI can make recommendations “on findings or systemic issues relating to Relevant Operational Policy noncompliance” of the environmental and social policies of the IDB Group. The aim of this is for the Board of Directors to be able to take preventive or corrective measures with respect to the relevant project 8.

These recommendations are submitted for the consideration of the Board of the corresponding IDB Group office. The Board of Directors is responsible for deciding on actions that can be taken in light of the conclusions and recommendations of MICI 9.

Once a decision on MICI’s recommendations is made, the Board can ask the corresponding Management to develop an action plan for implementing said measures, if deemed applicable. Similarly, the Board can ask that MICI to monitor the implementation of the action plan or corrective actions adopted by the Executive Directors of the IDB or IDB Invest 10.

Subject to material improvements. The IDBG has implemented relevant material changes, based on opportunities for improvement identified in MICI’s recommendations and findings. This note identifies actions and changes implemented by the IDB Group based on the recommendations prepared by MICI within the framework of its compliance review reports. The changes and actions described herein are based on information supplied by the management of IDB and IDB Invest in their public reports on the implementation of MICI recommendations, as well as on the dialogue between MICI and the management of the IDB Group on the contributions of MICI 11.

This analysis does not identify systematic gaps. It is important to consider that reflections gather lessons derived from the sample of 10 cases analyzed until the date of preparation of this note. Thus, this document is not a comprehensive analysis of the IDB Group’s project portfolio. Reflections are not aimed at

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8 MICI Policies for IDB and IDB Invest, para. 45.
9 MICI Policies for IDB and IDB Invest, para. 47.
10 MICI Policies for IDB and IDB Invest, para. 47.
11 It should be noted that, generally, MICI has monitored the actions informed by the IDB Group to comply with MICI recommendations. This is due to the fact that MICI has only been authorized to follow-up on compliance with the recommendations approved by the Board of Directors in the last three cases (Paraguay Metrobus, Alto Maipo Hydropower Project, and San Andrés Power Plants); the monitoring on the Paraguay Metrobus case was closed due to material changes in the nature of the project financed by the IDB. To learn more about the monitoring reports of the IDB Group on these cases, see the links provided under Annex 1.
identifying systematic issues or gaps, since that would require a broader and more complex analysis that exceeds the purpose of this note.

**Contributing to dialogue and improvement.** The search for answers that translate into solutions and lessons for the present and future is part of MiCI’s nature. Therefore, with this note, the Mechanism aims to **systematize lessons learned to contribute to improving the Group’s practices.** The purpose of the reflections is not to show all the findings found by MiCI on each topic analyzed in its reports, but rather only those that illustrate recurring issues that contribute to establishing dialogue and improving practices.

**Findings, lessons learned, and new environmental and social policy framework.** The cases analyzed in this document refer to the operations of the IDB Group managed under the prior environmental and social policy framework, which has recently been reformed. However, despite this substantial restructuring, for the purposes of this note, it is considered that the issues identified by MiCI in its compliance review reports refer to structural elements that are still relevant for the implementation of the current environmental and social policy framework. The reflections developed identify general issues that might arise during oversight and implementation of consultations and information disclosure, regardless of the policies regulating such processes. Additionally, the IDB Group’s previous policies are still applied in operations that are under the Group’s supervision. In this way, even an analysis of the specific standards of these policies remains relevant and can help the project teams involved in said operations.

In view of the foregoing, this note also includes some aspects of **how the new environmental and social policies of the IDB Group address aspects developed in MiCI reports** regarding access to information and consultations. The purpose of this analysis is to identify changes in the new policy framework that address gaps identified in MiCI reports, so as to establish a closer connection between the lessons derived from MiCI reports and the implementation of the new Environmental and Social Policy Framework (ESPF), IDB Invest’s new Environmental and Social Sustainability Policy, and Access to Information Policies. Some of the issues analyzed in these reports may not be expressly developed in the Group’s environmental and social policy framework; however, MiCI does not aim to analyze this in this document.

MiCI is aware that it is still early to assess the implementation of the new policy framework of the Group, and that this note does not **aim to perform a general analysis on potential gaps or to make general recommendations** on this new
framework, since such a general analysis exceeds MICI’s role as the Group’s accountability office. MICI will have the opportunity to analyze the new environmental and social frameworks of the Group and to contribute to their adequate implementation and improvement, through its work in addressing complaints submitted to the Consultation and the Compliance Review phases.

Regulatory evolution of environmental and social policies

During the period covered in this document, both MICI and the IDB Group have undergone a regulatory evolution that, given its nature and relevance, should be highlighted here.

In recent years, the IDB Group has undergone significant regulatory and structural changes, of which the following should be highlighted: i) external merger of the private sector operations of the IDB and the IIC, transferring them to what is now known as “IDB Invest,” which became effective in 2016; ii) changes in IDB and IDB Invest’s Access to Information policies; iii) reform of the Relevant Operational Policies for an IDB Environmental and Social Policy Framework; and iv) change in IDB Invest’s Sustainability Policy.

On the other hand, in 2010, MICI was created with a single policy. This policy was reformed in 2014 and became the Policy currently in effect (MICI-BID Policy) and, additionally, a mirror policy of MICI was approved in 2016 specifically for IDB Invest (MICI – IDB Invest Policy). A plan for transitioning between the 2010 and 2014 policies was also implemented during this period.

The new policies introduced changes in MICI’s structure and modified several steps in its processes. However, the essence of the goals and nature of MICI, particularly with respect to the Compliance Review Phase, has not been changed.

Conceptual clarifications: policies, safeguards, frameworks, or standards. There are several terms in the IDBG to identify the environmental and social standards applicable to IDB and IDB Invest Operations. These standards were previously identified as the Environmental and Social Sustainability Policy and the Relevant Operational Policies for the IDB. In addition, each institution had its independent information access or disclosure policies. The IDB and IDB Invest currently have new standards. IDB Invest’s Policy is a new version of its Environmental and Social Sustainability Policy. IDB policies are known as the Environmental and Social Policy Framework (ESPF). Access to information policies remain separate policies.
This note seeks to systematize the reflections derived from the investigations conducted in the CRP to date, which focused on reviewing the Group’s previous environmental and social policies. However, the document also includes references to the new policies of the IDB Group. To simplify and use as few terms as possible, for the purposes of this note, the expression “environmental and social policies” will be used to refer to the environmental and social standards applicable to the operations of the IDB Group in general. When referring specifically to the new policies of the Group, the term “new environmental and social policy framework” will be used. Since the reflections seek to systematize useful topics both for IDB and IDB Invest, this term will encompass the policies from both. MICI is aware that there are unique characteristics involved in the management of public and private sector operations and, to reflect this, the note occasionally develops aspects that are specific to IDB or IDB Invest’s policies. In these cases, the document specifies that reference is made to the applicable IDB or IDB Invest policy. Finally, to simplify the language, it should be understood that access to information policies are included in the above terms.

**Additional challenges for the implementation of environmental and social policies.**

MICI also understands that the implementation of the IDB Group’s environmental and social policies, whether past or present, poses several challenges, including aspects external to the direct implementation of said policies. This note does not aim to identify all the external challenges faced by the Group and project teams while implementing its environmental and social policies. The document only mentions challenges regarding two issues described in some of MICI’s reports: how participation in a project is assumed and the time frames proposed by the Group for an operation’s cycle.

**FIGURE 3. THE PROJECT CYCLE**

As regards how participation in a project is assumed, the note describes some challenges in terms of oversight and compliance with consultation standards when the Group starts preparing and assessing a project which is already underway. Similarly, it highlights the presence of additional challenges when requesting funding for projects at very early stages, for example, when a final design has not been completed.
As regards **time frames**, it is important to acknowledge that the preparation and design times of an operation before approval by the Executive Directors, both for previous policies and new operational processes for IDB and IDB Invest, are short. However, during this time, the Group’s personnel should review compliance with all the requirements of its environmental and social policies, as well as with the rest of the elements required for designing the operation. The new environmental and social policy framework and the new project cycles of the Group, which are generally shorter than they used to be, will entail a challenge for adequately managing the environmental and social policies of the IDB Group.

Although these elements exceed the scope of analysis of this note, they should be considered when identifying challenges for complying with the policies of IDB Group, as well as gaps and opportunities for improvement in the Group’s practices.
MICI reports have made contributions to ensure that interested parties can access project information in a more accessible way.
REFLECTIONS ON ACCESS TO INFORMATION

Information disclosure and transparency are key for the good development of a project. Access to information in a project ensures that all the related processes are open to citizens and allows communities to be aware of the impacts it may have on their lives. In this regard, six of ten reports published by MICI analyzed allegations regarding lack of access and unawareness of environmental and social impact assessments and studies, management plans, and resettling plans, among other documents. In its reports, MICI analyzed the obligations of the IDB Group regarding the disclosure of documents based on two sources: specific information disclosure and access policies, and disclosure requirements to make good-faith, accessible and meaningful consultations.

Along these lines, the Mechanism’s contributions to these issues have focused on two aspects: requiring the disclosure of documents that are not expressly identified as mandatory disclosure, especially regarding projects of the private sector; and ensuring that the information disclosed is accessible to the affected parties, so that consultations are conducted in good faith.

The reflections derived from MICI reports, as well as the lessons and changes introduced by the IDB Group as a result of these reflections, are developed below.

12 Panama Canal, Mareña Renovables, El Dorado Airport, São José dos Campos Urban Structuring Program, Paraguay Metrobus, San Mateo and San Andrés Power Plants.
DISCLOSURE OF ADDITIONAL DOCUMENTS OTHER THAN MANDATORY DISCLOSURE DOCUMENTS

The contributions made by MICI with respect to this matter focus on private sector projects, when the IDB had a private sector service before the creation of IDB Invest\(^\text{13}\). In this regard, the main contribution of the Mechanism was to highlight the need to disclose documents from the private sector, even if these were not expressly specified in mandatory disclosure document lists\(^\text{14}\).

IDB GROUP’S POLICIES

Perspective of past and present policies on access to information of the IDB Group

The main policies which in most cases analyzed by the Mechanism regulated public disclosure of information with MICI were the Disclosure of Information Policy (OP-102, 2006) and the Access to Information Policy (OP-102, 2011). As regards the private sector, these policies included a list of the documents required to be disclosed by the IDB, which means that they only established the obligation of disclosing the listed documents.

One type of mandatory disclosure documents was the environmental and social analyses of the project; however, the list did not include all the names of studies and documents that could make up this environmental and social analysis. In this way, some documents which contained environmental and social analyses, but which were not specifically described in the list, were not considered subject to mandatory disclosure.

More specifically, MICI recommended that the Environmental and Social Management Plan (ESMP) of a project be disclosed, even if it was not listed expressly in the documents to be disclosed. In its reports, MICI has acknowledged that, in general, private sector operations require stricter confidentiality levels than those of the private sector. However, experience shows that the understanding of this confidentiality obligation may be interpreted in excessively broad terms when it comes to environmental and social information\(^\text{15}\).

\(^{13}\) Three of the four MICI reports analyzing issues pertaining to access to and disclosure of information in the private sector refer to operations with no sovereign guarantee managed by the IBD’s private sector service, before the creation of IDB Invest for management thereof.

\(^{14}\) This issue may be found in the reports of Mareña Renovables, El Dorado Airport and the São José dos Campos Urban Structuring Program.

\(^{15}\) El Dorado International Airport, para. 4.10.
The Environmental and Social Management Plan (ESMP) is a document that describes management measures on environmental and social issues within a Project. Pursuant to OP-703, this document included information on key impacts and risks, measures to prevent, minimize, compensate and/or mitigate key impacts and risks, responsibilities to implement these measures, schedule and budget for managing the measures, consultation and participation programs, framework for risk monitoring during execution.

Thus, in the case of Mareña Renovables, MICI found that the ESMP had not been disclosed, despite being a key document to inform the population on the way the Project impacts are managed. MICI determined that, even when the ESMP is not included in the mandatory information disclosure list for non-sovereign guarantee operations, “there is a disclosure obligation regarding said plan based on the provisions set forth by Directive B.5 of OP-703.” This provision establishes that the EIA (Environmental Impact Assessment) and the ESMP of the Project will be “made available to the public before the analysis mission.”

Besides the recommendation of disclosing specific project ESMPs, MICI has also recommended clarifying, within IDB policies, that the ESMP is part of the environmental assessment and management framework for private sector projects and must therefore be disclosed. This type of recommendation has generated a dialogue between MICI and the Bank, as well as a reflection on the improvement of the Bank’s disclosure practices.

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16 Mareña Renovables, para. 2.84. This argument has been repeated in subsequent MICI cases. See El Dorado Airport, para(s). 2.230 and 2.231.
17 Mareña Renovables, para. 4.7
IMPROVING POLICIES AND PRACTICES

Mareña and Improvement of the Bank’s Disclosure Processes

The first MICI reports that reviewed compliance with the IDB Group’s access to information policies identified non-conformities in the publication of several mandatory disclosure documents by the Group18. As a result of these findings, MICI recommended the publication of the missing disclosure documents, and the Group, in addition to publishing said documents, implemented new processes aimed at improving disclosure processes and ensuring the publication of mandatory disclosure documents.

Mareña Renovables was the first step in improving several disclosure processes at the IDB Group. Thus, despite its comments to the Draft Compliance Review Report, the IDB recognized the existence of documentation and document disclosure issues, as well as the need to strengthen these processes19.

In their progress reports regarding the measures adopted to address MICI’s recommendations in the Mareña Renovables, El Dorado International Airport, and São José dos Campos USP projects, the IDB described the following measures and improvements in its information disclosure processes:

- **Development and expansion of procedures** related to OP-102 to ensure effective document disclosure, including introducing **publication milestones** in the system used by the Bank for project management20. Specifically, a change in the Bank’s project monitoring system as of June 30, 2017, to include **environmental and social document disclosure milestones**, including disclosure of the ESMP before the analysis mission21.

- Incorporation of a new “Environmental and/or Social Document Disclosure” function in the Bank’s systems to ensure compliance with disclosure requirements under OP-703 and OP-102, and continuous improvement22.

- **Creation of an automated step** in the project management platform of IDB Invest (Maestro) that informs the project team on the date of disclosure they must meet for a project’s different environmental and social documents. This step also requires disclosure of the document and entering data into the system that reflect such disclosure in order to move to the next phase of the project cycle23.

- Establishing a system to **track the time of disclosure of the projects**, both new and approved. This system also allows generating reports to determine compliance with IDB Invest’s disclosure requirements.

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18 Mareña Renovables, para(s). 2.34 and 2.84; El Dorado International Airport, para(s). 2.234, 2.239; São José dos Campos USP, para. 2.165-2.166 and 2.174.
19 Mareña Renovables Management Comments, p. 2.
21 Progress Report, El Dorado, para. 2.7
22 Progress Report, Mareña Renovables, March 8, 2018, para. 3.4.
23 Final Progress Report, Mareña Renovables, para. 3.11.
Similarly to the ESMP, MICI considered that resettlement plans should also be disclosed, even if the positive document list to be disclosed in projects without a sovereign guarantee did not include said plans. The resettlement plan is a key part of the analysis framework of the impacts and management plans of a project that do need to be disclosed, pursuant to OP-102 and the requirements in terms of resettlement (OP-710), that requires that said plans be prepared in consultation with and with the engagement of the affected population. This entails the disclosure of the resettlement plans24.

Moreover, in São José dos Campos, MICI stated that the final resettling plan should be disclosed at the same time as the IDB’s social and environmental impact report, considering that OP-710 sets forth that the resettling plan complements this report, and that these analyses are submitted to the IDB before the Board of Directors approves the operation25. For all these reasons, the Mechanism recommended that the requirement to disclose resettling plans be made explicit and that the time when this publication was to be made should be clearly stated26. In MICI’s recommendations monitoring, the IDB informed that it agreed upon clarifying the timing of publication of resettling plans and, thus, requiring the publication of the Draft Resettling Plan as part of the environmental analysis27.

WHAT THE NEW ENVIRONMENTAL AND SOCIAL POLICY FRAMEWORK SAYS

As part of its commitment to contributing to sustainable development in Latin America and the Caribbean, in November 2021, the IDB launched its new Environmental and Social Policy Framework (ESPF). This framework provides the world-class standards to be met by IDB projects to protect people and the environment, and throws light on the roles and responsibilities of the IDB and the borrower, aligning the new standards with good international practices.

The Resettlement Plan

The current Environmental and Social Policy Framework (ESPF) of the IDB describes the resettlement plan as one of the environmental and social assessment documents to be disclosed by the IDB before the analysis mission28.

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24 São José dos Campos, USP, para. 2.169. The above, also considering the general principle of said policy, of making publicly available information on the Bank and its activities, unless there are peremptory reasons to maintain the confidentiality thereof. Paraguay Metrobus, para. 2.305.
25 São José dos Campos USP, para. 2.170.
26 São José dos Campos USP, para. 4.7.
27 Paraguay Metrobus, Appendix I, Management’s Comments to the Draft Compliance Review Report, para. 46.
28 ESPF, para. 3.24.
At this point, it is important to note that disclosure and transparency are not static concepts and that obligations thereunder should not be considered “fulfilled and addressed” after the initial management stages of a project. Their development should be maintained throughout the project cycle phases. In this sense, MICI observed that, in some cases, new versions of some environmental and social assessment documents were prepared, but that these updates were not disclosed\(^{29}\). Something similar happened with some documents prepared during the execution of the projects (which, therefore, had not been initially informed when the loan was obtained) that were not disclosed by the Bank. The Mechanism highlighted the need to publish these documents and made recommendations for their disclosure\(^{30}\).

**WHAT THE NEW ENVIRONMENTAL AND SOCIAL POLICY FRAMEWORK SAYS**

**Information Update**

The IDB’s current ESPF clearly states that documents containing new, updated or additional environmental and social information prepared following the approval of a project should also be disclosed for all operations, regardless of the classification thereof\(^{31}\).

On the other hand, IDB Invest’s Access to Information Policy indicates that IDB Invest is to update the Investment Summary, as required. Moreover, for category A projects, IDB Invest should also publish the applicable environmental or social documents, whether new or corrected.

**DISCLOSURE OF DOCUMENTS IN ACCESSIBLE LANGUAGES AND FORMATS**

MICI reports have also included recommendations to ensure access to this information by the relevant stakeholders who live in the locations where the projects are developed. MICI has noted that both OP-102 (Access to Information Policy) and OP-703 (Environmental and Safeguard Compliance Policy) are policies that complement each other with respect to environmental and social information access issues\(^{32}\).

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29 Paraguay Metrobus, para. 2.303.
30 São José dos Campos USP, para. 2.174.
31 ESPF, para. 3.24.
32 El Dorado, para. 2.230.
As for the language of document disclosure, MICI has explained that, although neither of these policies (OP-102 nor OP-703) establishes a specific language obligation, “under OP-703 the Bank must ensure that borrowers use languages and formats that allow meaningful consultations with the affected parties.” The Mechanism has verified that these activities are reinforced when the IDB Group publishes documents in the local languages. It also noted that requiring that borrowers publish the information in the local languages (to make meaningful consultations) and, at the same time, allowing the IDB to publish information in languages other than the language of the project location “results in a double standard on the matter.” Publishing IDB Group information in a language other than the one used by the local population hinders its access to the information, creating an unnecessary barrier that prevents the affected parties from having a view and, eventually, contributing to improving the project.

Publication of IDB Policies in the Regional Languages

Language is such an important requirement to guarantee access to information that MICI has recommended the publication of environmental and social policies in the IDB’s four official languages. As a result, the IDB informed that it had translated its environmental and social policies into Portuguese and French, and that it had posted them on its website.

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33 El Dorado, para. 2.240. São José dos Campos, para. 2.168.
34 El Dorado, para. 2.240. São José dos Campos, para. 2.168.
35 São José dos Campos, para. 4.9.
36 Final Progress Report, São José, Section G.
Bank Recommendations and Actions to Disclose Accessible Information

Based on the above considerations, MICI has recommended that the IDB Group publish different environmental and social assessment documents in a local language. In the case of El Dorado Airport, MICI recommended introducing provisions increasing access to information to make sure that the environmental and social information disclosed by the Bank is available in the language of the country of operation\(^\text{37}\).

According to this recommendation, the IDB informed that it will seek to ensure that “the environmental and social information on a project be disclosed in the language of the country of operation.”\(^\text{38}\) Moreover, the IDB also stated that analysis reports and environmental and social management plans are disclosed in the language of the country where the operation is located; it also informed and clarified that most environmental and social management reports (ESMRs) are disclosed in the language of the country of operation\(^\text{39}\). On the other hand, IDB Invest informed that it disclosed all Environmental and Social Review summaries in the local language and in English\(^\text{40}\).

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37 El Dorado, para. 4.9, Recommendation 8. MICI made a similar recommendation in São José dos Campos, suggesting that all mandatory disclosure documents be “preferably” published in Portuguese. São José dos Campos, para. 4.4, Recommendation 1.

38 Progress Report, El Dorado, para. 2.8.

39 Final Progress Report, El Dorado, para. 2.9.

40 Final Progress Report, El Dorado, para. 2.10.
Disclosure of Information and the Local Languages

The IDB’s current ESPF considers specific information disclosure requirements in the languages of the local populations. Thus, it establishes that the two-way process of meaningful consultation is based, among other factors, on prior disclosure of accessible information in the relevant local language(s)\(^{41}\). Moreover, it states that the information should be disclosed in the applicable local languages, considering the needs of the groups that may be affected by the project in a differentiated or disproportionate manner, or of the groups with specific information needs (such as language differences, among others)\(^{42}\).

On the other hand, IDB Invest’s Access to Information Policy states that the information is to be disclosed in the language it was produced by IDB Invest, and that only the Environmental and Social Information Summary (ESIS) should, in addition, be disclosed in one of the national languages of the country where the project will be implemented\(^{43}\). As indicated below, the Implementation Manual of IDB Invest’s Environmental and Social Sustainability Policy contains more specific requirements regarding the delivery of information in the appropriate local languages.

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\(^{41}\) ESPF, PS10, para. 21 and PS1, para. 33.
\(^{42}\) ESPF, PS10, para. 20.
\(^{43}\) Access to Information Policy, IDB Invest, para. 40.
Consultations must be spaces for dialogue in which the views of stakeholders are genuinely taken into account.
REFLECTIONS ON CONSULTATION PROCESSES

An issue present in all CRP reports issued by MICI to date is compliance with the IDB Group’s requirements for making consultations\(^44\). This has provided the Mechanism with an opportunity to review several consultation processes supervised by the Bank, with the purpose of identifying any difficulties, as well as any issues which might be improved in the Bank’s practices. In this section, the main reflections derived from the CRP reports on this matter are presented.

Box 1. Value and Importance of Consultation and Information Disclosure

Consultation and information disclosure provide value beyond formal compliance with policies and may have significant positive or negative impacts on an operation. Later in this section, there are examples of the importance of consultations to identify environmental and social impacts, as well as the negative aspects that may result when these consultations are not made (sections E and F of this section). To reflect the importance of consultations, the IDB Group has published several documents on the matter, including:

- **Public Consultations: Step by Step. +300 Regulatory and Legal Frameworks Applicable in Latin America and the Caribbean**;
- **Social Impact Assessment**;
- **Meaningful stakeholder engagement. A Joint Publication of the Multilateral Financial Institutions Group on Environmental and Social Standards**;
- **Planning Virtual Consultations in the Context of COVID-19: Guidelines for Government Agencies and Project Executing Units**;
- **Guide for the Reporting and Voluntary Disclosure of Environmental, Social and Corporate Governance Factors**;

From a general perspective, the IDB has identified that consultation adds value to its projects because, among other things, i) it captures and ensures that the views and perceptions of many stakeholders are considered, preventing or reducing adverse impacts and increasing benefits; ii) it improves the quality of environmental and social impact assessments and validates the data obtained from different sources; iii) it allows individuals to be aware of their rights and responsibilities in relation to a project; iv) it provides more transparency and engagement to a project, increasing trust, understanding, acceptance and, thus, local appropriation of the project, which is key to its sustainability and development; and v) it provides credibility and legitimacy to the projects, institutions, and clients involved\(^{45}\).

\(^44\) Pando-Monte Lirio Hydroelectric Power Project, Program to Improve Highway Corridors in Paraguay, Mareña Renovables, El Dorado Airport, São José dos Campos USP, La Paz Storm Drainage Program II, Paraguay Metrobus, Alto Maipo Hydropower Project, and San Mateo and San Andrés Power Plants.

\(^{45}\) Meaningful Stakeholder Consultation Guideline, pp. 4-5.
FULL STAKEHOLDER IDENTIFICATION

One of the first steps to conducting adequate consultations, as required by the Group’s policies, is that consultations be conducted with the “stakeholders.” In some cases, MICI has observed that not all the individuals and groups potentially affected by a project have been correctly identified before the consultation process. This initial gap affects the subsequent process, both in terms of social and environmental impact assessment, and in terms of relationships and consultations.

IDB GROUP’S POLICIES

What do the IDB Group’s Policies establish with respect to identification and consultation with the stakeholders?

Directive B.6 of OP-703 sets forth that the environmental (and social) assessment process requires “consultations with the affected parties” and that consultations with other stakeholders may be included to allow for a broader range of experiences and views.

Performance Standard 1 (PS1) establishes the participation of social players as a key element for adequate management of the environmental and social impacts of a project. This participation is an ongoing process that may include, at different levels: analysis of the social actors and planning of their participation; disclosure and dissemination of information; grievance mechanism, and constant information disclosure to affected communities.

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46 The old Sustainability Policy of IDB Invest established that environmental and social policies applicable to its projects were both the IDB’s safeguards and the International Financial Corporation’s Performance Standards. Even though the Sustainability Policy itself sets the base for IDB Invest’s perspective on environmental and social oversight, the details regarding the policies applicable to consultations are developed in OP-703 and PS-1 of the Performance Standards of the International Financial Corporation. Therefore, no information is added with respect to said Sustainability Policy.
Box 2. Affected Parties or Stakeholders?

As stated in the previous Box, Directive B.6 of OP-703 requires consultations with the affected parties and also states that consultations with other stakeholders can be conducted. However, the IDB Group’s guidelines, as well as its practice on the matter, use the term “stakeholders” to describe the initial mapping of stakeholders and the different consultation types and levels to be developed within a project. Hence, this note uses the term “stakeholders.”

So, the IDB Group’s Guidelines on Meaningful Stakeholder Consultation Guideline explains that “stakeholders” refers to individuals, groups, or institutions that have a stake – or interest – in the project: they may be affected by it (either positively or negatively), or they may have an interest in it and be in a position to influence its outcomes47. The guideline offers detailed tools and suggestions on how to perform an initial mapping based on a “stakeholder analysis” and the preparation of a consultation plan48.

On the other hand, the IDB’s current ESPF clearly states that the borrower should identify and document the stakeholders, including the individuals affected by a project as well as other parties49.

Following the standards of the IDB Group, MICI has highlighted, since its first cases, that adequate consultation requires, among other elements, “to have previously identified the affected parties.”50 The importance of this previous identification can be illustrated by some examples that we will see below, which analyze the failure to identify merchants as affected parties in urban construction projects51.

In the case of the La Paz Storm Drainage Program II, MICI found that the merchants of one of the areas that would be affected by the construction of a new drainage system had not been consulted, although these merchants were one of the most representative sectors in the area52.

47 Guidelines, p. 7.
48 Guidelines, pp. 19-23.
49 ESPF, PS10, para. 10.
50 El Dorado, para. 2.186.
51 This problem has been analyzed in the reports of the La Paz Storm Drainage Program II and the Paraguay Metrobus Program.
52 Bolivia, para. 2.107.
Box 3. Importance of Stakeholder Identification: Paraguay Metrobus Case

One of the investigations with more apparent consequences showing the importance of previously identifying affected parties and the impacts of failing to do so adequately is the case of the Paraguay Metrobus.

Specifically, initial studies of this urban infrastructure and transport rehabilitation and improvement project in the Paraguayan capital were focused on analyzing the impacts of informal businesses (which, in fact, presented significant vulnerability characteristics). However, formal businesses were not identified as parties significantly affected by the Project, despite representing the majority of the commercial activity in the area, occupying a larger space than informal businesses, and being, for the most part, small and medium-sized businesses.

MICI found that “no baseline was conducted for the population potentially affected until well into the project’s development.” This resulted in several important impacts, as mentioned below:

• The first environmental and social assessments were incomplete.

• Several consultation and communication efforts did not provide sufficient information on the impacts of the project and the actions to address them.

• Once execution commenced, multiple studies and consulting reviews had to be undertaken to try to correct this initial failure.\(^{53}\)

In light of these impacts, MICI’s findings indicated that, notwithstanding the multiple benefits that a project may bring once it is operational (for example, in this case, modernization, improvement and enhanced efficiency of the public transportation system), it should not be forgotten that to reach this phase, complex processes are required, and that they may have negative impacts for different groups, and that timely identification of these impacts is essential to prevent, minimize, compensate or mitigate the risks and impacts of a project\(^{54}\).

The more complex and larger a project, the higher the likelihood of finding affected parties and, consequently, the need to take thorough steps to identify all these parties at an early stage.

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\(^{53}\) Paraguay Metrobus, para. 4.4.

\(^{54}\) Paraguay Metrobus, para. 4.2.
Moreover, in the case of the Alto Maipo Hydroelectric Power Project, even though the Bank and the client identified a large number of affected parties, adequate consultations were not made in the preparation of the project with a large number of traditional farmers and shepherds who also offered touristic horseback riding tours (muleteers) and would be impacted by said project\textsuperscript{55}.

Thus, MICI has detected that, \textit{in addition to identifying the stakeholders, it is important to adequately characterize this population}. This characterization is not a formality, since awareness of the characteristics of the affected groups or stakeholders will impact the manner and nature of the consultations.

\begin{quote}
\textit{Indigenous women of Guatemala.}
\end{quote}

**MICI CASES AND LESSONS LEARNED**

**Importance of Adequate Characterization: Indigenous Peoples**

In the case of the San Mateo and San Andrés Power Plants, a project that planned the construction of two hydroelectric plants in northern Guatemala, MICI concluded that IDB Invest failed to comply with the obligation to ensure adequate identification of the affected indigenous population. In its report, the Mechanism highlighted that identifying a full social base of the affected communities is an essential initial step for the identification of the stakeholders, and that said identification should be conducted as early as possible\textsuperscript{56}. This failure to identify the characteristics of the affected population hindered the identification of several impacts.

The investigations of MICI have also highlighted the \textit{importance of conducting consultations with all the stakeholders, including individuals who may have a critical or opposing view of a project}. Consultation obligations derived from the Bank’s policies are not subject to the approval of the project by the consulted parties.

\textsuperscript{55} Alto Maipo Hydroelectric Power Project, para(s). 2.115 and 2.122.

\textsuperscript{56} San Mateo and San Andrés Power Plants, para(s). 2.72 and 2.81.
MICI investigations have highlighted that consultations should include individuals who may have a critical or opposing views of a project.

In the case of the Alto Maipo Hydroelectric Power Project, MICI identified that consultation efforts focused on the individuals and groups who agreed with and benefitted from the project. On the other hand, no efforts were made to ensure consultations and to approach the members of the population who were critical of the project. In this regard, the Mechanism stated that consultations required under IDB’s policies should ensure that the different categories and groups of affected parties are represented, thus avoiding any kind of discrimination. Meaningful consultation requires listening to the views of groups opposing the project and making efforts to promote an open and inclusive consultation process. Otherwise, the lack of inclusion and information disclosure to an affected party can result in more opposition.

In the case of San Mateo and San Andrés Power Plants mentioned above, IDB Invest did not make consistent efforts to consider the views of opposing groups, despite being aware of the huge polarization regarding the project in the local communities. MICI determined that, in these scenarios, it is necessary to seek and receive information through external and additional sources than those provided by the borrower or the client, and that it is not enough to verify the opinion of the local population only through interviews arranged by the client or borrower.

As the size and complexity of the projects financed by the Bank increase, so does the likelihood of encountering conflicting and opposing views on the project. In these cases, it will be important to continue complying with IDB Group’s Policies, even regarding individuals and groups who have opposing views. In these scenarios, it is possible that, when the IDB Group starts becoming involved in a project, the relationship between the borrower and some sectors of the population identified as “opposing” the project has already been somewhat affected. When this happens, the IDB Group has the opportunity to add value by assuring its consultation policies.

57 Alto Maipo Hydroelectric Power, para. 2.171-2.174.
58 Alto Maipo Hydroelectric Power Project, para. 2.178.
59 San Mateo and San Andrés Projects, para. 2.93.
COMMUNITY CONSULTATIONS AND ACCESS TO INFORMATION

Meeting with communities in São José dos Campos, Brazil.

MICI CASES AND LESSONS LEARNED

Communication with stakeholders, even when they are not affected

The practices of the IDB Group have evolved from an approach focused on consultation with affected parties to one that refers to consultation with stakeholders. The importance of this change has become apparent in three MICI cases that provide examples of situations where it can be necessary to disclose information even when a group of people is no longer an “affected party” in formal terms.

During the case management for São José dos Campos USP with MICI, the IDB stopped being engaged in the component involving the resettlement of a significant number of persons. However, the individuals that had approached MICI and the community to be resettled had been informed for years of their resettlement and IDB’s involvement in it. Given this situation, the Executive Directors of the IDB approved MICI’s recommendation to inform said community that the Bank was no longer involved in the project60.

In Mareña Renovables, the client decided to cancel the project and the Bank informed MICI that, based on its own recommendation, it had agreed with the client that the cancellation would be informed, and that it had already done so61.

Finally, although the report on the Panama Canal Expansion concluded that there were no consultation non-conformities involving a group that was not the “affected party,” because the project would no longer be implemented in the area, MICI recommended launching an information campaign on the project changes that showed that said persons would no longer be affected62.

60 São José dos Campos USP, para. 4.5, Recommendation 2.
61 Progress Report on the measures adopted by the Management to address MICI’s recommendations MICI, Mareña Renovables, March 8, 2018, para. 3.1.
62 Panama Canal, para. 5.59-5.60.
CONSULTATION ACCESSIBILITY

MICI has issued statements on several occasions regarding the different “accessibility” factors of the information provided to stakeholders, ranging from the advance with which the information is provided and the places where meetings and hearings are held, to the formats, languages, and disclosure media used. This issue has been present since the first MICI report on the Pando-Monte Lirio Hydroelectric Power Project, to the most recent one on the San Mateo and San Andrés Power Plants.

IDB GROUP’S POLICIES

What do the IDB Group’s Policies establish with respect to access to information and consultation?

Directive B.6 of OP-703 states that “for consultation purposes, appropriate information will be provided in location(s), format(s) and language(s) to allow for affected parties to be meaningfully consulted” so that they can form an opinion and comment on the proposed course of action.

MICI’s contributions on the need to disclose and provide information to relevant stakeholders in languages that they can understand, as part of the good faith consultation requirements, were already included in the previous section on information access and disclosure. Therefore, only the reflections on other aspects of access to information are included below.

Location. Although in its report on the Pando-Monte Lirio Hydroelectric Power Project MICI indicated that consultation was not one of the primary concerns of the case, it did state that it received information on the implementation of public hearings at the last minute and in places located far from the communities. In the San Mateo and San Andrés Power Plants report, it was explained that making publicly available an EIA in the City of Guatemala by means of a fee and delivery on a CD is not an accessible disclosure method for the communities in the Project’s area of influence, which are far from said city.

63 Pando-Monte Lirio, pages 53-54.
64 San Mateo and San Andrés Power Plants, 2.88.
Format. As regards the format of disclosure of information to the relevant stakeholders, MICI has explained that complying with Directive B.6 and providing information in locations, languages, and formats that allow meaningful consultation “requires considering the specific realities of the individuals to be engaged in the consultation.” That is to say, it is not enough to provide information to the stakeholders, but rather, the IDB Group must ensure that the information supplied is clear, simple, and understandable.

Thus, for instance, in the cases of the Panama Canal Expansion and São José dos Campos USP Project, MICI found that information disclosure programs for the population had been implemented through media to which said communities had limited access (written press, electronic media, TV, and radio). In its reports on São José dos Campos USP and San Andrés Power Plants projects, MICI went a step further in this area, explaining that the information that was provided to the stakeholders should be “clear, simple, understandable, and accessible.” In the former, it was stated that how the stakeholders are informed should consider the specific reality of the people engaged in the consultation to ensure that they can form an opinion on the proposed course of action. In the latter case, it was determined that, although an environmental impact assessment was made available to the public, there was no evidence showing that IDB Invest had asked the client to disclose the environmental and social information in a simple and accessible manner; for example, by means of a non-technical report.

65 São José dos Campos, para. 2.146.
66 Panama Canal, para. 5.53; São José dos Campos USP, para. 2.146.
67 São José dos Campos USP, para. 2.146. San Mateo and San Andrés Power Plants, para. 2.87.
68 São José dos Campos USP, para. 2.146.
69 San Mateo and San Andrés Power Plants, 2.87.
Access to Consultation

The IDB’s ESPF currently in effect ratifies the requirements on accessible consultations established in previous policies. Thus, it requires that readily accessible information be provided in a culturally sensitive format in the relevant local language(s) that can be understood by the stakeholders.\(^70\)

Similarly, the Environmental and Social Sustainability Policy Implementation Manual of IDB Invest establishes that the stakeholders should have prior information on the relevant aspects of a project, in appropriate languages and formats, which should be clear, accessible, understandable, and culturally appropriate.\(^71\) This manual acknowledges that the technical information usually published on a website generally does not provide valid background information, and that providing clear and understandable information can help avoid future uncertainty and concerns.\(^72\) It also highlights that, instead of technical information on a website, the information should be available in the appropriate locations, formats, and local languages, which can even mean that verbal communications or the use of images may be required.\(^73\)

MICI considers that, at the time of deciding and agreeing on information disclosure formats with the borrowers, **it is important for the IDB Group to consider the complexity of the information and whether it is being disclosed in a language that the relevant stakeholders can understand.** This is particularly relevant in the case of communications in at-risk scenarios and given the technical nature that may characterize several environmental and social impact assessment documents. In these cases, **the use of non-technical summaries and other forms of communication accessible** to local communities can become necessary tools to ensure the accessibility of the consultations to be made.

On the other hand, MICI is aware of the challenge entailed for the Group in supervising the preparation and delivery of information in a non-technical language accessible to local communities, in relatively short times. MICI reflections and cases illustrate

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\(^70\) ESPF, PS10, para. 21, and PS1, para. 33.
\(^71\) Implementation Manual: IDB Invest Environmental and Social Sustainability Policy, pp. 59-60 y 68.
\(^72\) Implementation Manual: IDB Invest Environmental and Social Sustainability Policy, p. 68.
\(^73\) Implementation Manual: IDB Invest Environmental and Social Sustainability Policy, p. 68.
different levels of complexities involved.” These levels range from supervising disclosure and delivery of information in the language of the relevant country and ensuring that the format used is within reach of the consulted parties, to supervising that the language used in the information is understandable for the communities engaged in the consultation.

RELEVANCE OF CONSULTATIONS

One of the main thoughts emerging from MICI reports is the need for the IDB Group to monitor that the consultations carried out in the framework of a project are “meaningful.” Despite the fact that numerous meetings and public hearings are held, in several cases, the quality of information and dialogue generated in these spaces fails to meet the Group’s standards for meaningful consultation.

IDB Group policy standards on meaningful consultation are developed in the IDB Guidelines on Meaningful Consultations with Stakeholders. These guidelines broadly describe the principles and content that a consultation must have to be considered “meaningful,” acknowledging that “transparent and meaningful consultation with key stakeholders is a cornerstone of informed decision-making.”

IDB GROUP POLICIES

What do the IDB Group policies establish in terms of meaningful consultation?

OP-703 Directive B.6 requires meaningful consultation during the environmental assessment process, i.e., consultation in which parties are allowed to form their own opinions on the operation, give feedback on the proposed course of action, and in which these views are considered. It also requires reporting on project impacts and mitigation measures during project implementation.

On the other hand, PS1 establishes that stakeholder participation is an ongoing process. PS1 views consultation as an opportunity for stakeholders to express their views on project risks, impacts and mitigation measures and for the client to consider and respond to them.

74 Mareña Renovables, El Dorado, São José dos Campos USP, La Paz Storm Drainage Program II, Paraguay Metrobus and San Mateo and San Andrés Projects. The IDB Guidelines on Significant Consultation also note that the quality of consultations is a recurring issue in complaints submitted to MICI. Meaningful Consultation with Stakeholders: IDB Series on Environmental and Social Risk and Opportunity. Reidar Kvam, p. 3.
Transparent and meaningful consultation with key stakeholders is the cornerstone of informed decision-making and good governance. In the image, communities of the Isthmus of Tehuantepec, Mexico.

and good governance\textsuperscript{75}. These discussions will not delve into all of the requirements and roles described in said Guidelines, but solely those identified and discussed within MICI investigations.

The first requirement — noted in various investigations\textsuperscript{76} — is that the IDB Group must make sure that information be provided on the impacts and risks involved in an operation, as well as mitigation and management measures for these risks, not just the benefits and general aspects of an operation. MICI cases show that meetings, hearings and, in general, the information provided about a project usually tends to focus on its benefits, leaving little or no space to discuss its risks, impacts or management measures. The information provided must be reviewed to adequately monitor meaningful consultations, making sure that it truly is a meaningful consultation. Referring to it as a consultation or meeting does not suffice.

\textsuperscript{75} Meaningful Consultation with Stakeholders: IDB Series on Environmental and Social Risk and Opportunity. Reidar Kvaam, p. 3.

\textsuperscript{76} Mareña Renovables, International Airport El Dorado, São José dos Campos USP, Paraguay Metrobus, San Mateo and San Andrés Projects,
Examples of findings on information quality

In **Mareña Renovables**, MICI identified that, in meetings identified as consultations: 1) complete information on the entire project was not provided; 2) no information was provided on the project’s impact mitigation and management measures, nor on its management and risk management plans; 3) the presentation to communities only provided general information (and was only in Spanish); and, 4) most meetings were aimed at negotiating contracts and social benefits, and were held before the project’s environmental and social assessments were available.\(^77\)

In the **El Dorado Airport**, MICI found that, during the public hearing of an environmental impact assessment process, only general information on some aspects of the project was provided. It concluded that the hearing failed to provide information on “existing risks, difficulties and impacts associated with the different project stages, and on the mechanisms deemed adequate to prevent, mitigate or remedy such risks.”\(^78\) The Mechanism specified that an adequate consultation requires: “(i) having previously identified the appropriate parties; (ii) that these parties are, in fact, summoned; and (iii) that the information provided is relevant and addressed to them, not to the general public.”\(^79\)

As for **Paraguay Metrobus**, it was noted that the information shared was mostly general, substantially focused on the operational project characteristics and benefits, and failed to specify the risks and adverse impacts and the mitigation measures designed for affected individuals.\(^80\)

With respect to the **San Mateo and San Andrés Power Plants**, it was also determined that the IDB Invest-validated consultation processes failed to show that the affected communities had been informed about the environmental and social impacts and the measures for managing them. Rather, the meetings held only provided information about the construction process and the processes for obtaining project rights and benefits.\(^81\)

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77 In addition, most meetings were only held with authorities and not with the entire population. Mareña Renovables, paras. 2.45-2.49 and 2.72-2.74.
78 International Airport El Dorado, paras. 2.182-2.183.
79 International Airport El Dorado, para. 2.186.
80 Paraguay Metrobus, para. 2.157.
81 San Mateo and San Andrés Hydropower Plants, paras. 2.76 and 2.79.
As for Paraguay Metrobus, it was reported that hundreds of meetings of different types were held. However, MICI found that most of these encounters were held before environmental and social impact assessments and the design of mitigation measures were available. Therefore, the meetings only served to provide general information about the project and its benefits, and to characterize the affected population, but not to report the potential project risks or its mitigation measures. In these circumstances, this cannot be deemed as “meaningful consultation.” This situation was also identified in the Mareña Renovables report, which describes how numerous initial meetings were held with affected communities before having the environmental and social assessments of the project, mainly focused on contract negotiation for the use of lands of such communities.

What information should be shared with communities?

MICI stated that a consultation “must provide specific, detailed and complete information” that allows stakeholders to form an informed opinion on the potential impacts of a project and the proposals to manage those impacts. In this sense, the report on the San Mateo and San Andrés Power Plants provides a list of the type of information that should be provided in consultations, summarizing the PSI requirements:

i. The purpose, nature and scale of the project.
ii. The duration of the proposed activities.
iii. The potential risks and impacts on these communities and relevant mitigation measures.
iv. The stakeholder participation process envisaged.
v. The mechanism of complaints.

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82  Paraguay Metrobus, para. 2.155-2.158.
83  Mareña Renovables, para. 2.45.
84  International Airport El Dorado, para. 2.183; Paraguay Metrobus, para. 2.158.
85  San Mateo and San Andrés Power Plants, para. 2.86.
The second requirement analyzed by MICI for a consultation to be “meaningful” is that a two-way dialogue is generated. In other words, the consultation is not limited to organizing informative meetings, but instead there is **dialogue in which the parties listen to each other and are open to consider different opinions and make adjustments to the project**. This way, the information provided is intended to enable stakeholders to form their opinions about the project, so that they can meaningfully participate in dialogue.

An example of how the lack of access to “accurate, relevant, meaningful and timely” information about a project, its impacts and management measures prevents stakeholders from forming their opinions about the project and giving their feedback occurred in the case of El Dorado Airport, as MICI found in the FVO report. This situation also occurred in the Mareña Renovables case, where the lack of information prevented the affected population from effectively participating in meetings and where such meetings failed to provide an opportunity for feedback.

At this point, it is relevant to note here that a **public hearing — held as part of the process to obtain an environmental license — does not necessarily amount to the consultation required by IDB Group standards**. For example, in its report on the El Dorado International Airport, MICI noted that the public hearing had no dialogue with stakeholders, but rather consisted of a series of presentations by the institutions involved, followed by brief interventions from the public. The Mechanism explained that this does not constitute dialogue and that the objective of a consultation “is not limited to informing and listening, but should rather lead to a constructive dialogue between the borrower and affected communities, in which the parties are even willing to have their opinions changed.”

In São José dos Campos, MICI also reviewed the course of the public hearing held to obtain the environmental license, finding that it was for informational purposes and did not seek to generate the dialogue required by IDB standards, in which the parties could give feedback, provide their views, and in which their concerns were taken into account. MICI explained that a consultation should consider the views of the affected populations and that, in this case, only dissemination activities were carried out without establishing dialogue with the affected parties or providing a mechanism for them to give their views on the operation.

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86 Paraguay Metrobus, para. 2.160.
87 São José dos Campos USP, para. 2.146. Paraguay Metrobus, para. 2.158.
88 International Airport El Dorado, para. 2.185.
89 Mareña Renovables, para. 2.74 and 2.72.
90 International Airport El Dorado, para. 2.188.
91 São José dos Campos USP, para. 2.150.
92 São José dos Campos USP, para. 2.147.
In the La Paz Storm Drainage Program, it was identified that, although merchants affected by certain works of the program expressed various concerns about the impacts that the works would have on them, these concerns were not taken into account\(^{93}\).

The San Mateo and San Andrés Power Plants report also found that there was no two-way or dynamic dialogue in the meetings held within the framework of the projects, in which the concerns or observations of the communities were recorded and it was evidenced whether they had been taken into account in their design and implementation\(^{94}\).

**Box 4. Documentation and Consultation Processes**

Organizing and conducting consultations are obligations of borrowers. The IDB Group’s role is limited to **reviewing whether or not these consultations comply with its policies.** For this, it is essential that the IDB or IDB Invest have access to information and documentation to enable them to carry out this review. In other words, to have evidence confirming that certain meetings and/or public hearings were indeed held does not suffice. It is essential to have information that allows both IDB and IDB Invest to know the content of such meetings: **what was said, participants, response to participations and what changes were made, among other things.**

This way, IDB’s recognition\(^{95}\) of the need to strengthen documentation and information on these processes is a positive aspect in strengthening IDB Group consultation practices.

In addition to a two-way dialogue, previous — and current — IDB Invest standards require that a project obtain broad community support. In the San Mateo and San Andrés Power Plants, MICI found that the IDB Invest compliance review focused on reviewing whether or not such support had been provided, not on reviewing the quality of information and dialogue developed to obtain such support. To this end, it should be noted that the **IDB Group’s monitoring should not be limited to examine whether the project has broad community support, but should also review that this support is the result of meaningful consultations, in which adequate information has been provided**\(^{96}\).

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93 La Paz Storm Drainage Program II, para. 2.66.
94 San Mateo and San Andrés Power Plants, para. 2.78.
95 See Program to Improve Highway Corridors in Paraguay, Memorandum with Comments from IDB Management regarding a Preliminary Compliance Check Determination, para. 4.1; Pando-Monte Lirio Hydroelectric Power Project, Management’s Response to the Draft Compliance Check Panel Report, para. 26; and Mareña, Management’s Joint Response to the Preliminary Draft of the MICI Compliance Review Report, p. 7.
96 San Mateo and San Andrés Power Plants, para. 2.84.
Box 5. What does not constitute consultation?

Within the framework of MICI cases, different types of information processes, meetings, hearings and dissemination mechanisms presented as “consultations” have been reviewed. Below are examples of processes that have not met the requirements to be deemed “meaningful consultation.”

1. **Meetings** that seek to make a **first encounter** with the population, **present** the project and **listen** to initial views.

2. **Meetings** that seek to **obtain information from stakeholders or identify them:** censuses, surveys, characterization studies. Although characterization is a requirement for adequate consultations, it cannot replace the consultation.

3. **Public hearings** in which a limited **presentation of the project is made and queries or feedback from attendees are heard.** In these cases, in order to decide whether or not they constitute meaningful consultations for MICI, it is important to **review how these hearings were held.** For example:
   a. Was information on project impacts and management measures provided?
   b. Was the information presented understandable, and was it provided sufficiently in advance to allow people to form their opinions about the project and participate effectively?
   c. Were hearings accessible? In other words, were they held in locations close to the potentially affected communities? Was there sufficient advance notice of hearings? Was access allowed to everyone who wished to participate?
   d. Were attendees allowed to raise questions and concerns?
   e. Were stakeholder questions and concerns adequately addressed?
   f. Were stakeholder concerns and opinions taken into account in designing the project and/or its management measures?
   g. Were hearings adequately designed to allow the participation of groups requiring the creation of specific spaces for their participation?
   h. Were they held in a timely manner at the appropriate times and phases of the project cycle?

4. **Publicity with general project information** distributed through brochures, mass media or other means.

5. **Meetings** to discuss **employment opportunities** in the project.

6. **Meetings** to negotiate contracts with the affected population.

7. **Meetings** to provide information on construction **progress and logistical aspects of a project.**

8. **Meetings** to discuss **project benefit or compensation programs.** For example, scholarship support, entrepreneurial support, or community events.

9. **Broad dialogue about a community’s situation** or its development generally, without focusing on the discussion of the project in question.

MICI does not question the value and importance of the processes described above, which are undoubtedly useful processes for the dissemination of information and project management. However, these processes do not replace the need to generate the spaces required by IDB Group policies for meaningful consultations.
Reflections on meaningful consultations show that it is important for the IDB Group to pay attention to reviewing the quality of the consultation, and not only focus on quantitative aspects. In addition, MICI reports show that the Bank’s review and monitoring of consultations is strongly focused on the number of “consultations” and meetings. In several cases, the IDB or IDB Invest describe carrying out numerous informational exercises by borrowers, without describing the type or quality of information or dialogues developed during these exercises. This may be due to the wording of OP-703 Directive B.5, which requires a certain number of consultations to be carried out depending on the category of the project. However, and given everything that has been explained in this section, it is important to keep in mind that beyond the numbers, it is essential to check that the consultations are meaningful.
As a result of MICI reports and recommendations, the IDB Group has reported a number of measures to strengthen its practices and improve the implementation of its standards on meaningful consultation. These measures include the following:

i) Development of a technical note on meaningful consultations with stakeholders to address the need to improve IDB practice on social safeguards.\(^97\)

ii) Execution of training activities for IDB environmental and social safeguards personnel regarding the technical note on meaningful consultation and the formulation of processes to document consultation processes.\(^98\)

iii) Dissemination of the technical note on meaningful consultation and execution of external IDB Group training, including officials from countries in the region, clients, enforcing agencies and other external stakeholders.\(^99\)

iv) Approval of Protocol IDB-ESG-PR-0018 to Evaluate and Document the Quality of the Consultation Process during Project Preparation, which describes IDB personnel procedures to evaluate a consultation process.\(^100\)

v) Improvements to the stakeholder engagement and consultation section of the Environmental and Social Management Report (ESMR) template to summarize the consultation activities carried out while preparing an operation, their documentation, the main issues that arose from those consultations, and an explanation of how they were addressed or responded to.\(^101\)

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\(^97\) Progress Report on the Measures Taken by IDB Management to Address the Recommendations Made by the MICI in its Compliance Check Report on the Mareña Renovables Wind Energy Project, March 8, 2018, para. 3.2.

\(^98\) Final Report on the Measures Taken by IDB Management to Address the Recommendations Made by the MICI in its Compliance Check Report on the Mareña Renovables Wind Energy Project, August 2018, para. 3.5.

\(^99\) Final Report on the Measures Taken by IDB Management to Address the Recommendations Made by the MICI in its Compliance Check Report on the La Paz Storm Drainage Program II, September 2018, para. 2.6.

\(^100\) Final Report on the Measures Taken by IDB Management to Address the Recommendations Made by the MICI in its Compliance Check Report on the La Paz Storm Drainage Program II, September 2018, para. 2.7.
Here it is fair to place emphasis on the Mareña Renovables case, a paradigmatic example in terms of the dialogue and substantial changes that can emerge from MICI investigations. Many improvements implemented by the IDB Group described in the previous paragraph started from the findings, recommendations, dialogue and discussions generated within the Group as a result of that investigation. Some people involved in those dialogues acknowledge the key role that this investigation played in the “cultural change” that occurred within the Group around social and contextual impact assessment, including issues of adequate consultation and information disclosure\textsuperscript{102}. 

\textsuperscript{102} MICI Thoughts. *Institutional Changes to Improve Lives. Lessons learned from the Mareña renewable energy case in Mexico: Reinforcing the “meaningfulness” of meaningful consultations*, p. 5.
Consultation Overview

The Environmental and Social Sustainability Policy of IDB Invest and the new ESPF of the IDB view stakeholder consultation as a dynamic and ongoing process, rather than a space that is used at a single point in time. Consultation processes are designed and implemented based on stakeholder mapping and a stakeholder engagement plan. This plan identifies the different information and consultation needs and designs the intensity, timing and modalities of the consultations to be carried out. This plan is subject to review and can be adjusted as needed.

Documenting Stakeholder Participation

The current ESPF of the IDB incorporates several of the Group’s improvements in terms of documenting consultation activities. This new framework states that a documented record of stakeholder engagement should be kept and disclosed as part of a project’s environmental and social assessment, which will include:

- A description of the stakeholders consulted.
- A summary of the feedback received.
- A brief explanation of how, and whether the feedback received was taken into account, or the reasons to not consider it103.

According to the Implementation Manual of its Environmental and Social Sustainability Policy, IDB Invest may develop some actions to explain how stakeholder concerns have been addressed. Some of these include:

- A record of consultation participants.
- Key issues discussed during meetings.
- Agreements reached during meetings.
- How stakeholder input is deemed likely to enhance benefits and reduce or offset adverse effects.
- Areas of disagreement and reasons for which some recommendations cannot be addressed.
- Future channels of communication and consultation process envisaged104.

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103  ESMF, para. 3.7 and PS10, para. 9.
104  Implementation Manual: Environmental and Social Sustainability Policy of IDB Invest, p. 69.
IDB GROUP POLICIES

What do the IDB Group policies establish in terms of timeliness of consultations?

Directive B.6 of OP-703 states that, for Category “A” operations, affected parties must be consulted at least twice during project preparation: during the scoping phase of the environmental assessment or due diligence processes, and during the review of the assessment reports. For Category “B” operations, affected parties must be consulted at least once, preferably during the preparation or review of the ESMP, as agreed with the borrower. During project implementation, affected parties must be informed of the environmental and social mitigation measures affecting them, as defined in the ESMP.

In accordance with IDB Group standards, consultations must take place within a specified timeframe. OP-703 states that the purpose of consultation is to report the environmental and social risks of a project so that affected parties can form an opinion and comment on the proposed course of action. This means that consultation should preferably be initiated during the preparation or review of the ESMP. This way, the consultation will serve to provide information on impacts and the management measures of those impacts, gather comments from affected parties and, if necessary, adjust both the environmental and social impact assessments and the ESMP itself. MICI also stated that conducting consultations during this stage gives the IDB and its borrowers the opportunity to make sure that the operation is feasible and able to make the necessary adjustments before confirming the financial and contractual terms of the operation. On the other hand, it has been identified that carrying out consultation activities later in the project preparation and design stages generates additional challenges, given that stakeholders may have difficulty finding these consultations “credible.”

105 Paraguay Metrobus, para. 2.153.
106 São José dos Campos, para. 2.151.
107 Mareña Renovables, para. 2.74.
Works of the pluvial drainage program of La Paz and El Alto, Bolivia.

To this end, with regard to involuntary resettlement, in the São José dos Campos USP case, MICI found that consultations have been provided subsequent to the completion of a final resettlement plan. It has been explained that the foregoing fails to meet the consultation timeliness requirements of Directive OP-710, which require consultations during the plan design to include the interests and needs of the affected population in the respective resettlement plan\(^{108}\).

Providing information and ongoing consultation during project implementation is also necessary and can contribute to correcting initial failures related to the exclusion of affected parties in consultations. In its reviews, MICI identified cases in which there are consultations after the date required by the policies, making it possible to correct and generate spaces for dialogue.

\(^{108}\) São José dos Campos USP, para. 2.23.
For example, in the Alto Maipo case, a group of muleteers was excluded from the project consultations within the framework of obtaining the environmental license. Years later and once construction had begun, this omission was identified and spaces for dialogue were created to provide information to muleteers on the type of impacts the project would have and measures to manage those impacts, as well as to listen to the concerns and suggestions of this group and make adjustments. In the La Paz Storm Drainage Program case, MICI also found that during project execution, spaces were designed to provide information to the affected population, as well as for them to express their concerns about the Program’s works.


The IDB Group policies apply from the time of its involvement in a project. In several projects — especially private sector projects — the IDB Group is not involved in the initial design and preparation stages of the first environmental and social assessment documents, but its involvement may begin years after environmental licenses have been obtained and consultations have been carried out in accordance with national standards.

In these cases, due diligence is essential in analyzing a project's compliance and potential gaps with its operational policies. It is important for IDB Invest to analyze what meetings, hearings and information exercises have already been conducted in the due diligence process to determine compliance with its environmental and social policies. This review should include a qualitative analysis of the information provided by the borrower. A quantitative review will not suffice, given that it will be necessary to analyze that all requirements are met to ensure that the consultations were “meaningful.” In other words, it will be necessary to verify that the consultations identify and include all stakeholders are accessible, provide clear, simple and understandable information, allow parties to form an opinion on the impacts and the proposed course of action, and generate two-way dialogue.

In these cases, borrowers may consider that the consultation exercises already carried out suffice and see no need for further consultation. Therefore, gaps will need to be reviewed to require new consultation exercises, if needed.

109 Alto Maipo Hydroelectric Power Project, paras. 2.122-2.124.
110 Despite the positive aspects of creating these spaces, the opinions of the affected community were not taken into account when, for example, modifying the ESMPs and the mitigation measures of the Program. La Paz Storm Drainage Program II, paras. 283-284.
Compliance with requirements for projects already underway

With respect to the financing of projects under construction, the ESPF of the IDB states that projects under construction will solely be financed when the borrower can prove that the operation complies with all ESPF requirements. Should any ESPF requirement not be met by the Board of Directors prior to consideration of the project, compliance with that requirement must be included in the environmental and social action plan submitted to the Board111. The current environmental and social policies of IDB Invest specifically provide for it to consider further consultation when financing a project at an advanced design or implementation stage and finds that stakeholders were not sufficiently consulted112.

THE SUBSTANTIAL IMPACTS OF LACK OF CONSULTATION

MiCI cases also confirm the importance of consultations in the adequate identification of a project’s social and environmental impacts, as well as in the quality of its studies and management plans. To illustrate this substantial importance, below are some examples of impacts that could not be identified or measures that failed to be implemented, given the lack of consultation and dialogue with affected parties.

Policy OP-710 states that consultation with the individuals to be resettled is essential to ensuring that involuntary resettlement reflects their needs and that their living conditions are equal to or better than what they had113. In the São José dos Campos USP case, the lack of consultation with the population to be resettled prevented their opinion on the need to continue living in a place nearby downtown from being taken into account, given that many families carry out informal work in that area and living in a remote area would cause them great difficulties to continue carrying out their productive activities114.

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111 ESMF, para. 4.5.
113 São José dos Campos USP, para. 2.20
114 Despite the foregoing, some families were resettled in places far from downtown, given that no nearby option was provided taking into account the opinions of the affected population. São José dos Campos USP, paras. 2.29 and 2.32.
As for the San Mateo and San Andrés Hydropower Plants, although the potential impact of two projects on the archaeological heritage of an area was analyzed, local communities were not consulted on this impact. Therefore, this impact was analyzed exclusively from an archaeological point of view, without taking into account its value as cultural heritage for local indigenous communities. A consultation process would have made it possible to determine the value of the archaeological remains for these communities and to design sociocultural appropriate measures to address them.\footnote{San Mateo and San Andrés Power Plants, 2.146.}
Identification of Impacts on Environmental or Ecosystem Services

One of the impacts for which consultation is essential is with respect to the environmental services provided to a community by an element that could be affected by a project.

In the Alto Maipo case, due diligence identified a gap in analyzing the impacts of the project and the flow reduction that it would cause on the tourist and recreational uses of the river. However, the project’s lack of consultation and encounters with users and tourism operators prevented the analysis of these impacts from being carried out for multiple years. In this case, the Bank’s own consultants reiterated the need to verify the information from the expert studies with information provided by users116.

In the San Mateo and San Andrés Power Plants case, the lack of adequate consultation with women prevented the identification of the ecosystem services provided by the river to women in the area. Therefore, from the interviews conducted by MICI in these communities, it was found that the women used the river for conversation, washing clothes, and catching fish, shrimp and crabs for both family sustenance and sale. The lack of consultation prevented this potential impact from being taken into account and adequate management measures from being designed117.

CONSULTATION AND SPECIFIC GROUPS

116  Alto Maipo Hydroelectric Power Project, paras. 254-257.
117  San Mateo and San Andrés Power Plants, para. 2.175.
MICI reports reviewed some characteristics that consultations should have for two specific groups of potentially affected people: indigenous peoples and women\textsuperscript{118}. For example, since the Mareña Renovables case, MICI stressed that consultations with indigenous peoples must be differentiated and that some specific elements of their particular nature must be taken into account for their realization and execution: e.g., indigenous governance structures\textsuperscript{119}.

Subsequently, in the San Mateo and San Andrés Power Plants case, stress was placed on the importance of consultations to determine whether a community identifies itself as indigenous. For this characterization, it is essential to take into account the opinion of the communities themselves, for which it is key to carry out meaningful consultations\textsuperscript{120}. In this case, it was also concluded that it is important to consider the consultation and opinion-issuing processes, self-managed by indigenous groups themselves, and it was described how some indigenous communities in the area had organized a plebiscite in which they expressed their overall rejection of mining projects\textsuperscript{121}.

As for gender, MICI reports have analyzed the need to generate adequate spaces for the participation of women during initial consultations and project implementation. In the aforementioned case of the San Mateo and San Andrés Power Plants, MICI describes that, in accordance with OP-761, equal participation of women should be required during consultations\textsuperscript{122}. MICI specified that, to meet this requirement, the fact that the general consultation spaces allow women to express their opinion does not suffice; in some cases, consideration must be given to designing culturally-appropriate spaces to encourage the participation of women. In this case, the project consultation only included public hearings with the entire affected population. Although these hearings had an equitable of women participating, their design did not take into account that women from affected communities do not usually participate or give their opinion in this type of context (public events). Therefore, it was determined that suitable spaces needed to be designed so that women could adequately participate\textsuperscript{123}.

\textsuperscript{118} This note does not intend to provide an exhaustive analysis of “indigenous peoples” or “gender.” It solely includes the main thoughts on consultation and these groups.

\textsuperscript{119} Mareña Renovables, paras. 2.106-2.107.

\textsuperscript{120} San Mateo and San Andrés Power Plants, para. 2.32.

\textsuperscript{121} San Mateo and San Andrés Power Plants, paras. 2.73 and 2.74.

\textsuperscript{122} San Mateo and San Andrés Power Plants, para. 2.43.

\textsuperscript{123} San Mateo and San Andrés Power Plants, para. 2.54 and 2.55.
WHAT DOES THE NEW ENVIRONMENTAL AND SOCIAL POLICY FRAMEWORK SAY?

Consultation and Gender

The current ESPF of the IDB establishes that the borrower must ensure that people of all genders have effective interaction and participation. It specifically states that barriers that prevent women and people of diverse sexual orientations and gender identities from participating in consultations must be identified and addressed.

MICI specified that the need to generate culturally-appropriate spaces for specific groups does not end after the initial consultations, but continues to be important throughout project construction and/or operation, especially if there are allegations and investigations of violence against women, such as harassment, sexual violence (including allegations of rape) or prostitution, among other things. The investigation of these complaints may require the creation of specific spaces with people qualified on this type of dialogue to build trust so that women can speak freely. Inquiries during public hearings, or with police officers or male community leaders would not usually be ideal spaces for obtaining this type of information.

It has also been pointed out that the design and implementation of grievance mechanisms should have a gender perspective. Grievance mechanisms are a key tool to learn about the community’s opinion, the potential problems of a project during its implementation, and the current problems of a project in operation, which is why they must be culturally appropriate to receive complaints about specific impacts on women. As for the San Mateo and San Andrés Hydropower Plants, the projects’ grievance mechanism did not allow for anonymous complaints and the personnel receiving complaints were not qualified to deal with gender issues.

In Alto Maipo, there were several allegations of differential impacts on women in the Cajón del Maipo commune, given that the project had resulted in the presence of a large number of workers (more than twofold the number originally contemplated) in a small community. These allegations ranged from harassment and bullying to rape and increased prostitution. Although the IDB Invest was informed of these allegations and made direct attempts to look into these situations, its actions were

124  ESPF, PS9, para. 20.
125  San Mateo and San Andrés Power Plants, paras. 2.55-2.56.
limited to interviewing elements of the police and male community leaders, as well as conducting open consultations during public meetings with the community\textsuperscript{126}.

**OTHER NEGATIVE IMPACTS DUE TO LACK OF CONSULTATION**

The foregoing thoughts describe the importance and requirements of meaningful consultation. They also provide examples that illustrate important consultation-related issues that must be taken into account in monitoring a project and in the implementation of IDB Group policies. However, MICI reports also show other negative consequences stemming from the lack of adequate consultation. Some additional thoughts on these negative impacts are stated below.

One of these impacts is the erosion of trust in the client's ability and/or willingness, or in the case of the enforcing agency or the IDB Group itself, to address project impacts\textsuperscript{127}. For example, at the El Dorado International Airport, the client itself identified “serious difficulties in the community relations programs” and distrust of the processes convened by said entity\textsuperscript{128}.

The lack of consultation and/or erosion of trust can also generate opposition to a project\textsuperscript{129}. MICI noted that “the lack of inclusion and information to an affected individual can cause people who are not opposed to a project at first to become critical of it by not receiving information and being excluded from decision-making\textsuperscript{130}.”

The lack of adequate information and consultation can also generate uncertainty in a population, which has heard general characteristics of the project, but not information about its impacts and how it will be able to avoid them. In the Mareña Renovables case, information gaps due to lack of effective consultation during project preparation “increased uncertainty in the population and allowed the development of erroneous views about the project and its impacts\textsuperscript{131}.” A similar conclusion was reached at the El Dorado International Airport. The report established that the lack of adequate consultation and communication generated uncertainty about the magnitude and characteristics of the project’s impacts, thus increasing the vulnerability of the affected population and resulting in a generalized distrust of communities in the institutions responsible for the project\textsuperscript{132}.

\textsuperscript{126} Alto Maipo Hydroelectric Power Project, paras. 2.100-2.103.
\textsuperscript{127} Mareña Renovables, para. 3.6.
\textsuperscript{128} International Airport El Dorado, para. 2.180.
\textsuperscript{129} Mareña Renovables, para. 3.6.
\textsuperscript{130} Alto Maipo Hydroelectric Power Project, para. 2.178.
\textsuperscript{131} Mareña Renovables, para. 2.68.
\textsuperscript{132} International Airport El Dorado, para. 3.10.
Subsequently, in the case of the Paraguay Metrobus, MICI obtained similar findings and also added that, when it comes to merchants, uncertainty may prevent them from making decisions relevant to the proper operation of their businesses and livelihood of their families, and that this uncertainty may worsen as the works progress in parallel to the environmental and social diagnoses and assessments\textsuperscript{133}. Lastly, in São José dos Campos USP, it was determined that the population of Banhado, with a high degree of social vulnerability, had suffered great uncertainty due to the lack of adequate consultation. This was because — for several years (nine years of IDB involvement) — since the first cadastral registry was made, they knew that they could be resettled at any given time, but they did not have access to accurate or relevant information about the operation and resettlement plan\textsuperscript{134}.

\textsuperscript{133} Paraguay Metrobus, para. 3.14.
\textsuperscript{134} São José dos Campos USP, paras. 3.7 and 3.8.
Meeting with communities in Guatemala that expressed fear of reprisals.

**MICI CASES AND LESSONS LEARNED**

**Importance of consultations in social conflict contexts**

The *San Mateo and San Andrés Hydropower Plant* report shows the importance of having adequate community consultation and relationship mechanisms, as well as illustrating the negative impacts that the lack of these mechanisms can have on situations of conflict and social division already existing in an area. In this case, MICI found that the non-compliances identified with respect to information disclosure, meaningful consultation and grievance mechanisms could contribute to the impacts listed below:

- Increased social impacts, such as conflict and fragmentation\(^{135}\);
- Impacts on the management of social risks identified from initial stages\(^{136}\);
- Persistence and identification of problems in considering views opposed to the project\(^{137}\);
- Loss of possibilities to prevent social conflicts given the lack of adequate monitoring of complaints that could be filed in the project’s mechanism\(^{138}\);
- Risks of conflict due to the lack of community relations with groups and individuals opposed to the project\(^{139}\).

MICI is of the opinion that the possibility of this type of impact being generated stresses the importance of IDB Group institutions adequately monitoring compliance with the Group’s consultation standards in the operations it finances.

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\(^{135}\) San Mateo and San Andrés Power Plants, para. 2.208.

\(^{136}\) San Mateo and San Andrés Power Plants, para. 2.91.

\(^{137}\) San Mateo and San Andrés Power Plants, para. 2.93.

\(^{138}\) San Mateo and San Andrés Power Plants, para. 2.96.

\(^{139}\) San Mateo and San Andrés Power Plants, paras. 2.112, 2.114 and 2.130.
The IDB Group and its commitment to zero tolerance for retaliation\textsuperscript{140}

One of the aspects expressly included in the new environmental and social policy frameworks of IDB and IDB Invest is the Group’s commitment to “zero tolerance” for retaliation against individuals expressing an opinion or opposition to a project\textsuperscript{141}. Both IDB and IDB Invest’s policies specify that they take any credible allegations of retaliation seriously and address such complaints, within their scope, by raising any concerns received directly with the borrower, client or other relevant parties, as well as the possibility of taking subsequent relevant action\textsuperscript{142}.

The Implementation Manual of the Environmental and Social Sustainability Policy of IDB Invest elaborates on the context and importance of these risks and provides action that can be taken in this regard. Thus, it recognizes that people protesting against a project, whether local communities or activists, have sometimes been persecuted and even killed. It also recognizes that “Latin America and the Caribbean is the region of the world where these murders are most frequent\textsuperscript{143}.”

IDB Invest also recognizes that the risk of retaliation can arise in any project; therefore, projects need to analyze these risks, especially those located in areas where economic or political interests threaten the land, resources or livelihoods of poor or vulnerable people. It also explains that retaliation can be committed by different groups, including company and government representatives, wealthy landowners, police and even members of the community itself against other members of their community, in cases of internal conflicts, as well as violence against minority groups, such as sexual and gender minorities\textsuperscript{144}. IDB Invest expressly notes that this zero-tolerance policy includes, but is not limited to, individuals who use the grievance mechanisms of a project or the IDB Invest itself, such as MICI\textsuperscript{145}.

Lastly, IDB Invest explains to its personnel that they should be attentive to any indication that opponents of a project or certain groups, such as minorities and marginalized groups, may be threatened or subjected to any form of intimidation or retaliation, and to be familiar with how such risks can be identified and what measures can be taken. These measures may include:

\begin{itemize}
  \item The IDB defines retaliation as: “acts of intimidation, threats, harassment, punishment, legal proceedings, or any other act of retaliation against those who express an opinion or opposition in connection with a project financed by the Bank, a third party associated with the project, or the borrower.” ESMF, Annex II Glossary, pp. 30 and 31.
  \item ESMF, para. 4.5 and Environmental and Social Sustainability Policy of IDB Invest, para. 20.
  \item ESMF, para. 7.2 and Environmental and Social Sustainability Policy of IDB Invest, para. 20.
  \item Implementation Manual: Environmental and Social Sustainability Policy of IDB Invest, pp. 72 and 73.
  \item Ibid.
  \item Ibid.
\end{itemize}
(Continued)

• Insisting on prevention, identifying retaliation risks early in the project, and being prepared to respond to potential incidents.

• Incorporating attention to conflict, violence and retaliation risk into the project’s environmental and social assessment process through contextual risk analysis.

• Getting people at risk involved through consultation and collaboration with stakeholders and making sure that their concerns are reflected in project design and implementation\textsuperscript{146}.

\textsuperscript{146} Implementation Manual: Environmental and Social Sustainability Policy of IDB Invest, p. 73.
MICI team in Alto Maipo, Chile.
CONCLUSIONS

In addition to actively collaborating through case management so that IDB Group operations contribute to improving development, one of the key objectives of MICI is to help generate relevant lessons on environmental and social sustainability issues. One of the ways in which MICI does this is by building on the analysis and findings of its investigations, closing the circle and turning the complaints received over the years into lessons learned and improvements that positively impact people’s lives.

Proper access to information and adequate, accessible, meaningful and timely consultations are undoubtedly essential elements for the sustainability of the development projects that the IDB Group seeks to finance. These thoughts were intended to systematize the lessons learned from MICI investigations on the application and implementation of environmental and social policies in projects subject to MICI investigation. That is the spirit of MICI Reflexions Program and its documents: to share what has been learned here, by analyzing our cases, to continue promoting institutional thoughts that may be useful in improving practices in current and future projects.

In addition to systematizing thoughts on past investigations, another important objective of this note is identifying changes and actions reported by the IDB Group. Therefore, throughout this document we have sought to account for the different changes, actions and improvements reported in relation to the thoughts identified by this note.

Furthermore, the note also describes some aspects of how the new environmental and social policy framework of the Group addresses the findings and issues identified in MICI investigations. However, as previously explained, this analysis is preliminary since further analysis of the implementation of the framework would currently be premature and outside the scope and powers of MICI. The main source of analysis from which MICI generates lessons to be learned and reflexions for the improvement of IDB Group practices is the management of complaints and the production of outcomes by its Compliance Review and Consultation Phases.

For this reason, the contribution of this note to the dialogue on improving IDB Group practices is not made through general recommendations to the Group. The scope and space for MICI to issue recommendations and analyze compliance and potential gaps in the Group’s environmental and social policies is encompassed within its daily work of looking into the complaints submitted. The conclusions
in this document accordingly reflect key messages from MICI investigations on consultation and access to information, rather than general recommendations for the Group.

KEY MESSAGES ON ACCESS TO INFORMATION

The duty to publish mandatory disclosure documents. The first MICI cases analyzing compliance with the IDB Group’s access to information policies (Mareña Renovables, El Dorado International Airport, and São José dos Campos USP) reported failures in the Group’s duty to publish mandatory disclosure documents. Based on these findings and recommendations, the IDB Group implemented several improvements in its internal practices to ensure that these documents are disclosed. Although MICI investigations to date have not analyzed a complaint about a transaction prepared and evaluated subsequent to the implementation of these improvements, MICI’s most recent report on the San Mateo and San Andrés Hydropower Plants shows compliance with publishing mandatory disclosure information by IDB Invest.

The need to disclose other documents even if they are not mandatory disclosure. MICI investigations also served to clarify that some documents containing important information on the evaluation and management of the environmental and social impacts of an operation needed to be disclosed, even if they were not expressly listed in the list of mandatory disclosure documents. This is the case of the environmental management plan, documents containing environmental and social analyses prepared subsequent to the approval of an operation, and updates to environmental and social assessment documents.

Disclosure Languages. MICI investigations also contributed to closing a gap in the Group’s previous policies in terms of the language in which mandatory disclosure documents should be disseminated. Although the access to information policies did not require that policies be published in specific languages, a comprehensive interpretation of these policies, along with the Group’s requirements on meaningful consultation, led to further clarification that these documents needed to be disclosed in the languages of the country where each operation takes place.

KEY MESSAGES ON STAKEHOLDER CONSULTATION

Recurring topic. To this day, all MICI investigations have analyzed allegations of non-compliance with the Group’s environmental and social policy requirements on consultation. MICI reports have identified non-compliance with various requirements for the implementation of consultations with stakeholders, so that consultations can particularly be timely, accessible, meaningful and a two-way dialogue.
Timeliness of consultations. The note describes the relevance of conducting consultations at specific moments in the management of an operation and the challenges that may arise, e.g., in rebuilding trust, or in generating opposition to a project when consultations are not conducted in a timely manner. In this regard, it also highlights the presence of additional challenges for the Group when it begins to participate in a project already underway, a situation that is particularly present in the private sector.

Accessibility of consultations. MICI reports show non-compliance with the provision of information to stakeholders through means and places to which they did not have access (places far from affected communities, provision of electronic files upon payment, among others). They also identify that information must be in a (non-technical) language that the stakeholders to be consulted can understand for it to be truly accessible. The document also recognizes the challenges that the latter may entail, especially in a time-sensitive context.

Relevance of consultations. Some MICI investigations show that the Group’s review of consultations sometimes focuses on the number of hearings and other consultation processes, rather than reviewing their quality. The note therefore highlights the relevance of ensuring that the information provided within the framework of consultations refers to the environmental and social impacts and management measures of a project, to allow the parties consulted to form an informed opinion on the project and its potential impacts.

Two-way dialogues. MICI investigations also stress the relevance of making sure that consultations are not just informational exercises but are instead spaces for dialogue in which the views of stakeholders are genuinely taken into account.

Consultations with specific groups. MICI reports have also reviewed some of the characteristics that consultations should have for two specific groups of potentially affected people, indigenous peoples, and women, to conclude that they should be differentiated and take into account some specific elements of their particular nature (e.g., indigenous governance structures or adequate and differentiated spaces for consultation for women).

Negative impacts of inadequate consultation. Erosion of trust, opposition to a project where it did not exist at first, uncertainty and increased vulnerability; the possibility of generating this type of impact stresses the importance of IDB Group institutions adequately monitoring compliance with its consultation standards in the operations it finances.
KEY MESSAGES ON ADDITIONAL IMPLEMENTATION CHALLENGES

We have already explained that this note does not attempt to provide an exhaustive analysis of all the additional challenges that may arise in implementing the environmental and social policies of IDB Group, i.e., aspects of managing an IDB Group operation that are not directly connected to environmental and social policies. However, MICI cannot fail to mention some additional challenges in implementing the Group’s environmental and social policies, which are important to take into account even though they are not part of the analysis in this note.

**Time-related challenges.** The main challenge, as identified in the introduction, is the relatively short deadlines contemplated by the previous policies and by the Group’s new environmental and social policy framework. The environmental and social standards of IDB Group are high, reflecting the Group’s commitment to ensuring the environmental and social sustainability of its operations. Therefore, the combination of these high and detailed standards for consultation and access to information (in addition to other environmental and social requirements) with the tight deadline to prepare and evaluate an operation represents a challenge for the Group.

**COVID-19.** Finally, under the current context of the COVID-19 pandemic, it is important to note that this extraordinary situation presented and continues to present additional challenges for compliance with IDB Group policies on consultations. In dynamic processes such as the one in question, which require the monitoring of a constant interaction between borrowers and stakeholders, contextual and extraordinary aspects that may generate additional challenges for the adequate compliance with the Group’s environmental and social policies may always arise.
### ANNEX 1. COMPLETE LIST OF CASES ANALYZED.

<table>
<thead>
<tr>
<th>Project Description</th>
<th>MICI Regulatory Framework</th>
<th>Institution</th>
<th>Country</th>
<th>Sector</th>
<th>Complaint Highlights</th>
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<tbody>
<tr>
<td>Generadora San Mateo S.A. and Generadora San Andrés S.A. (MICI-CII-GU-2018-0136)</td>
<td>2014</td>
<td>IDB</td>
<td>Chile</td>
<td>Energy</td>
<td>The projects were aimed at creating two hydroelectric power plants in Huehuetenango. The complaint alleged, among other things: 1) incomplete identification and characterization of the affected population; 2) lack of consultation with affected indigenous communities; 3) environmental impacts; 4) increased insecurity and conflict in the area due to the project; and 5) gender impacts.</td>
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<tr>
<td>Alto Maipo Hydroelectric Power Project (MICI-BID-CH-2017-0115)</td>
<td>2014</td>
<td>IDB</td>
<td>Chile</td>
<td>Energy</td>
<td>The project consisted of building two hydroelectric power plants in the Cajón de Maipo commune, near Santiago, Chile. The complaint alleged, among other things: 1) impacts on tourist and recreational activities in the area due to the decreased river flow in the area; 2) lack of assessment of gender-differentiated impacts due to the migration of workers to the area; 3) incomplete assessment of environmental and social impacts due to noise, dust and traffic; and 4) lack of consultation with all stakeholders.</td>
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<tr>
<td>Downtown Redevelopment, Modernization of Metropolitan Public Transport, and of Government Offices Project — Request II (MICI-BID-PR-2016-0101)</td>
<td>2014</td>
<td>IDB</td>
<td>Paraguay</td>
<td>Transportation</td>
<td>The project envisioned a transformation of downtown Asunción including, but not limited to, the construction of a Metrobus along a commercial area. The complaint alleged, mainly: 1) negative impacts to formal and informal merchants and lack of measures for their management; 2) lack of project consultation; and 3) lack of resettlement plans.</td>
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<tr>
<td>La Paz Storm Drainage Program II (MICI-BO-2014-079)</td>
<td>2010 (Transition plan)</td>
<td>IDB</td>
<td>Bolivia</td>
<td>Water and Sanitation</td>
<td>The project consisted, among others, in repairing the stormwater drainage system of La Paz. The complaint alleged, among other things: 1) economic impact of the work, given the reduced access of clients and lack of measures for addressing those impacts; and 2) lack of meaningful consultation.</td>
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<td><strong>São José dos Campos Urban Structuring Program</strong> (BR-MICI006-2011)</td>
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<tr>
<td><strong>MICI Regulatory Framework:</strong> 2010</td>
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<td><strong>Institution:</strong> IDB</td>
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<td><strong>Country:</strong> Brazil</td>
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<td><strong>Sector:</strong> Urban Development and Housing</td>
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<td>The Program foresaw, among others, the construction of a road that required the resettlement of a group of people living in a slum in the area. The complaint alleged, among other things: 1) lack of project information, resettlement plans and environmental and social impact assessments; 2) lack of information on the reasons for the resettlement and alternatives for the population; 3) lack of meaningful consultation and participation in preparing resettlement plans; and 4) environmental impacts.</td>
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<tr>
<td><strong>MICI Regulatory Framework:</strong> 2014</td>
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<tr>
<td><strong>Institution:</strong> IDB Invest</td>
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<td><strong>Country:</strong> Guatemala</td>
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<tr>
<td><strong>Sector:</strong> Energy</td>
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<td>The projects were aimed at creating two hydroelectric power plants in Huehuetenango. The complaint alleged, among other things: 1) incomplete identification and characterization of the affected population; 2) lack of consultation with affected indigenous communities; 3) environmental impacts; 4) increased insecurity and conflict in the area due to the project; and 5) gender impacts.</td>
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<tr>
<th><strong>El Dorado International Airport</strong> (CO-MICI002-2011)</th>
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<tr>
<td><strong>MICI Regulatory Framework:</strong> 2010</td>
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<td><strong>Institution:</strong> IDB</td>
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<td><strong>Country:</strong> Colombia</td>
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<td><strong>Sector:</strong> Transportation</td>
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<td>The project was aimed at modernizing the international airport of El Dorado in Bogotá. The complaint alleged, among other things: 1) noise pollution due to increased air traffic; 2) lack of consultation and inadequate participation mechanisms; and 3) diverse environmental impacts.</td>
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<tr>
<th><strong>Mareña Renovables Wind Project</strong> (ME-MICI002-2012)</th>
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<td><strong>MICI Regulatory Framework:</strong> 2010</td>
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<tr>
<td><strong>Institution:</strong> IDB</td>
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<tr>
<td><strong>Country:</strong> Mexico</td>
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<td><strong>Sector:</strong> Energy</td>
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<td>The project envisioned the construction and operation of a wind farm in the Isthmus of Tehuantepec. The complaint alleged, among other things: 1) damage to marine fauna and migratory birds; 2) impact on lifestyle and livelihood; 3) lack of information to communities about the impacts that the project would have; and 4) lack of adequate public consultation.</td>
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<th><strong>Pando-Monte Lirio Hydroelectric Power</strong> (PN-MICI001-2010)</th>
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<td><strong>MICI Regulatory Framework:</strong> 2010</td>
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<tr>
<td><strong>Institution:</strong> IDB</td>
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<tr>
<td><strong>Country:</strong> Panama</td>
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<td><strong>Sector:</strong> Energy</td>
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<tr>
<td>The project contemplated the construction and operation of a hydroelectric power plant. The complaint alleged, among other things: 1) environmental and water usage impacts; 2) impacts to access roads and agricultural livelihoods; and 3) safety impacts.</td>
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### Panama Canal Expansion Program (PN-MICI002-2011)

**MICI Regulatory Framework:** 2010 (Transition plan)  
**Institution:** IDB  
**Country:** Panama  
**Sector:** Transportation  

The Program envisioned the expansion of the Panama Canal. The complaint alleged, among other things: 1) impacts to biodiversity due to saltwater intrusion; 2) lack of consideration of seismic risk and insufficient water resources; and 3) lack of information.

### Program to Improve Highway Corridors in Paraguay (PR-MICI002-2010)

**MICI Regulatory Framework:** 2010  
**Institution:** IDB  
**Country:** Paraguay  
**Sector:** Transportation  

The Program contemplated the construction of a road with indigenous communities in surrounding areas. The complaint focused on concerns about the transfer of land titles to the Aché community in Paraguay.