

The Independent Consultation and Investigation Mechanism  
**2012** Annual Report



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# **The Independent Consultation and Investigation Mechanism**

2012 Annual Report



**Listening, Understanding, Sharing**







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## Message from the ICIM Team

During 2012, the Independent Consultation and Investigation Mechanism (ICIM) carried out a range of activities and reached a number of important milestones that provided a wealth of lessons learned. The IDB Board of Executive Directors' strong support for the ICIM was made clear by its acceptance of all the recommendations in the ICIM Panel's first Compliance Review Report for the Pando-Monte Lirio Hydroelectric Program (PN-MIC1001-2010).

The Consultation Phase handled a full caseload during the year, managing six simultaneous dialogues, each addressing a range of issues and concerns. The nature and interests of the different cases, as well as the reasons behind them, required deep analysis and a full understanding of the concerns involved in order to provide effective support as a mediator.

Learning from the management of these cases from the moment they arrive at the ICIM has been an ongoing process not only for the Mechanism but for the Bank as a whole. The lessons learned and the precedents set will help the ICIM, the Bank, and external stakeholders in their joint quest for more sustainable development.

As part of the institutional strengthening process of the accountability function, the Office of Evaluation and Oversight carried out a policy review exercise in 2012. This valuable exercise has become part of all accountability mechanisms, and for the ICIM it highlighted weaknesses in structure, procedure, and response capacity that the Mechanism looks to address going forward.

The ICIM closes 2012 facing clearly identified challenges but with a firm commitment to move ahead and implement change where it may be needed. Today, the accountability function within the Bank is a given. It is our responsibility, and that of all stakeholders, to learn from our experiences and make our work better, which in turn will help the Bank improve its operations and the region grow in a more sustainable fashion.

## 2012 Highlights

During 2012, the Independent Consultation and Investigation Mechanism (ICIM) carried out a range of activities and reached a number of important milestones. In terms of Request and Case Management, the workload for the year included receiving 20 new Requests, of which two were registered. These two new requests added to 13 active carryover cases from 2011 constituted the 2012 Request and Case Management Portfolio (15). The ICIM also had a more intensive Outreach and Training agenda than in the past year and followed through on its policy mandate to undergo an independent evaluation two years after it was established.

During the second semester of 2012, the ICIM underwent an independent policy review by the Office of Evaluation and Oversight at the request of the Board of Executive Directors. The evaluation found that there were some key weaknesses in the policy that needed to be addressed in order to ensure the effective and efficient operation of the ICIM. Particularly, it highlighted confusion about the roles of consultation and compliance reviews; a diffusion of accountability that prevented effective oversight; and too many legalist eligibility criteria.

Based on these findings and with the full commitment of the Board of Executive Directors, during 2013 the ICIM will undergo a process of redefinition with the aim of strengthening its operation so that it provides meaningful recourse for requesters and systemic lessons for the Bank to improve its operations. Table 1 summarizes the main activities undertaken by the ICIM team during the year.



**Table 1** ICIM Activities as of end-December 2012

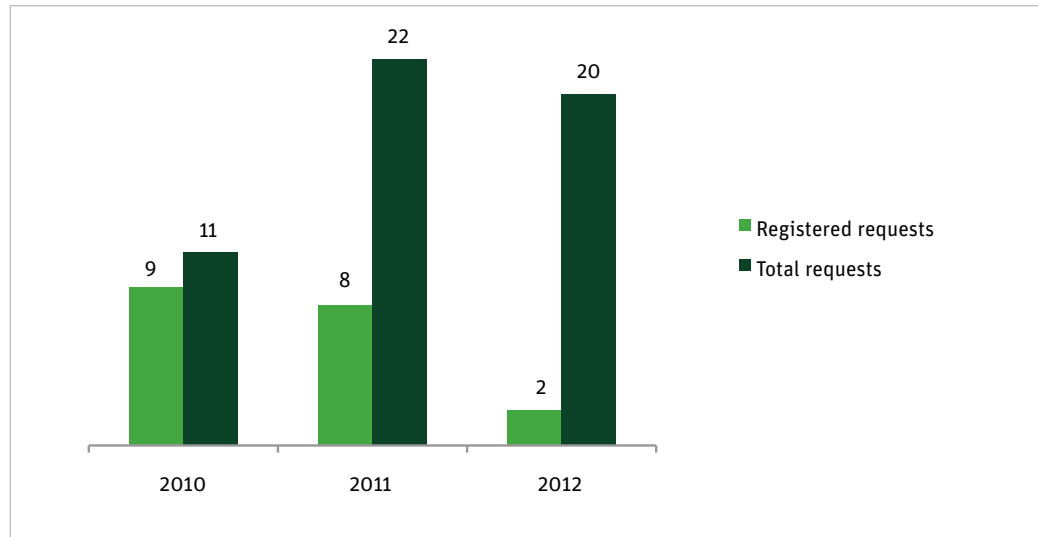
<b>Request and Case Management</b>	
<b>Intake</b>	<b>20</b> new Requests received, including:
	<b>2</b> Requests that were registered:
	<b>1</b> Request transferred to the Consultation Phase for eligibility determination
	<b>1</b> Request received and registered during the last week of December; it will be transferred to the Consultation Phase in 2013
	<b>18</b> Requests that were received but not registered:
	<b>2</b> Requests transferred to the Office of Institutional Integrity (37g)
	<b>1</b> Request transferred to the Project Procurement Unit (37d)
	<b>4</b> Requests related exclusively to the regulations of the executing agency or that had no relation to a Bank-financed operation (37b/c)
	<b>8</b> Requests for guidance/information
	<b>3</b> Requests lacked sufficient information to be registered or did not report contact with Management
<b>Consultation Phase</b>	<b>9</b> eligible Requests were managed by the Consultation Phase, of which:
	<b>1</b> was settled and closed
	<b>1</b> reached agreement at the end of 2012 and will close in 2013
	<b>5</b> were open and in the dialogue process
	<b>2</b> were terminated/concluded and transferred to the Compliance Review Phase as stated by requesters
<b>Compliance Review Phase</b>	<b>6</b> eligible Requests were managed by the Compliance Review Phase, of which:
	<b>2</b> Compliance Reviews were concluded and panel reports finalized and distributed to the Board of Executive Directors in December 2012
	<b>4</b> were in the process of submission of terms of reference to the Board of Executive Directors by the end of December 2012
	<b>1</b> Request was declared ineligible and dismissed
<b>Outreach, Training, and Institutional Strengthening</b>	
<b>Outreach, Advisory Services, and Training</b>	Participation in the Rio+20 UN Conference on Sustainable Development in coordination with other accountability mechanisms
	<b>11</b> presentations to external audiences
	<b>10</b> internal sessions on the ICIM processes with Bank staff at Headquarters and Country Offices
	<b>1</b> Technical Session on the Consultation Process: First Experiences of the Project Ombudsperson
	<b>1</b> Technical Session on the ICIM process for Executive Directors and Counselors
	<b>3</b> new publications
<b>Institutional Strengthening</b>	Training on Environmental and Social Safeguards
	Training on the Access to Information Policy
	Training on Operational Policies
	ICIM Policy Review by the Office of Oversight and Evaluation



## Request and Case Management

During the period from 2010 to 2012, the ICIM received 53 Requests, of which 20 were received in 2012 (see Figure 1).

Figure 1 ICIM Intake from 2010–2012: Total and Registered Requests



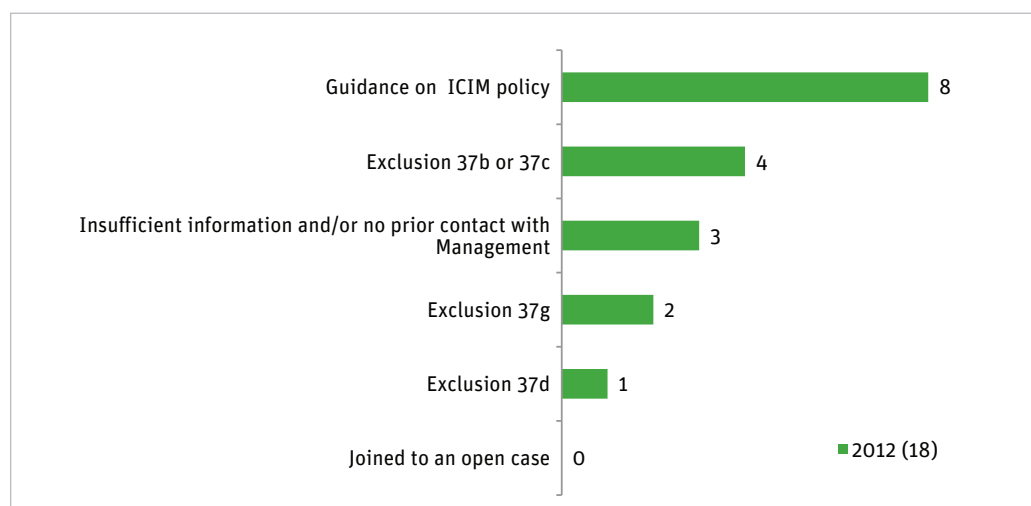
Source: ICIM statistics.

Note: Although only eight requests were registered in 2011, one of them was split into two to facilitate management. Because of such administrative requirements, the number of registered Requests may sometimes vary.

Of the 20 Requests received in 2012, two were registered and the remaining 18 were handled according to the specific issues presented. Eight requested information and guidance about the ICIM process and/or about Bank operations, four were related exclusively to the regulations of the executing agency or had no relation to a Bank-financed operation (exclusions 37b or c), two were transferred to the Office of Institutional Integrity (37g), three did not provide sufficient information for registration or had not contacted Management, and one was transferred to the Procurement Unit (37d).

The data shows that 10 of the Requests received (representing 50% of the total) were about matters not within the ICIM mandate or did not provide sufficient information to be handled. This made it clear that the ICIM needs to undertake a more proactive outreach strategy to ensure that potential requesters understand the mandate of the ICIM as well as the mandates of other Bank oversight units. This will enable the ICIM and the Bank to respond to these Requests not only more effectively but also in a more timely fashion (see Figure 2). Further details on management of individual Requests as of December 31, 2012 are presented in Annex I.

Figure 2 Management of Nonregistered Requests, 2012



<b>Notes:</b>	<b>Exclusion 37b or c</b>	<b>37b:</b> Requests related exclusively to the laws, policies, or regulations of the host country, borrower/recipient, or executing agency and that do not involve any action or omission on the part of the Bank. <b>37c:</b> Actions or activities that do not relate to a Bank-financed operation or that are not subject to the Bank's relevant operational policies.
	<b>Exclusion 37d</b>	Procurement decision or processes.
	<b>Exclusion 37g</b>	Ethics or fraud questions, specific action of Bank employees, nonoperational matters such as internal finance or administration, allegations of corrupt practices, or other matters subject to review by other bodies established by the Bank.

Source: ICIM statistics.

As regards the two new Requests that were registered, one was transferred during the first quarter of 2012 to the Consultation Phase, where it was deemed eligible, and the second was in the process of being transferred at the end of December 2012 for eligibility determination during the first quarter of 2013.

The Request and Case Management function is multiannual in nature and as such is comprised of incoming new Requests and carryover active cases. In 2012, the ICIM managed 15 Requests and Cases, composed of 13 carryover Requests and cases (eight in the Consultation Phase and five in the Compliance Review Phase) and two new registered Requests during the year.<sup>1</sup>

Analyzing the data contained in each of the Requests and cases managed provides useful insights. The analysis can be divided into two categories: (1) the Request, its nature, and the concerns raised; and (2) the Bank operation to which the Requests and cases relate.

As regards the first category, requesters in 2012 were mainly nongovernmental organizations or community groups from Southern Cone countries (see Table 2).

<sup>1</sup> Definitions of terms are as follows:

*Carryover case:* Any Request determined eligible in a year prior to the current year and being actively processed.

*Carryover request:* Any Request received prior to the current year that is in the process of determination of eligibility.

*Case:* Any Request determined to be eligible for one or both of the two phases at any given time.

*Request:* Any communication from a requester received by the ICIM related to its policy.

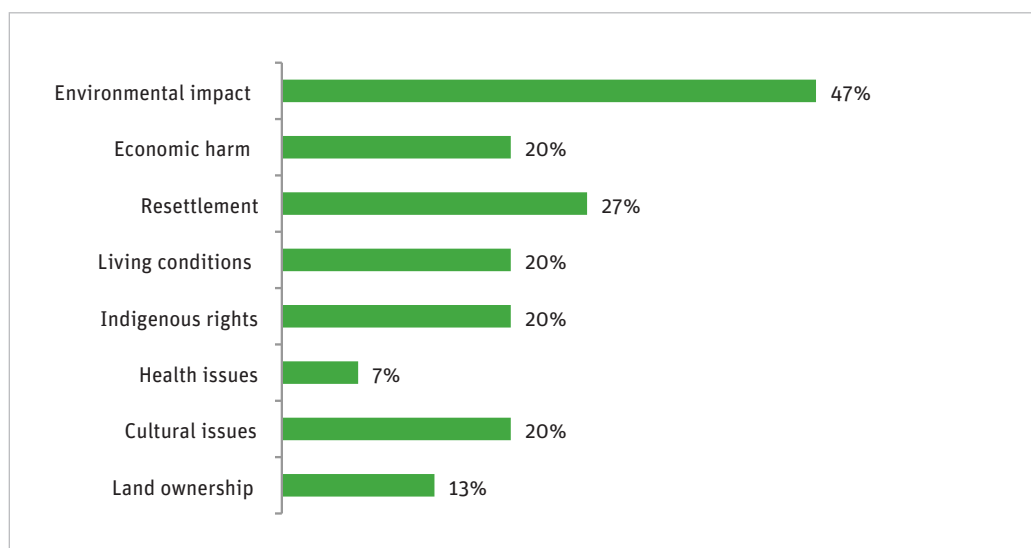
**Table 2 Request and Case Management: Statistics about the nature of the requester and geographical distribution, 2012**

<b>By type of requester</b>	<b>33%</b> originated from nongovernmental organizations (5)
	<b>33%</b> originated from community groups (5)
	<b>20%</b> originated from indigenous communities (3)
	<b>13%</b> originated from individuals on their own behalf (2)
<b>By geographical distribution</b>	<b>53%</b> from Southern Cone countries (8)
	<b>27%</b> from Central America and Mexico (4)
	<b>20%</b> from Andean group countries (3)
	<b>0%</b> from the Caribbean (0)

Source: ICIM statistics.

The issues presented by requesters show a strong concern with the environment (47% of all registered Requests and cases managed during 2012), followed by resettlement (27%), economic concerns, living conditions, cultural issues and indigenous rights (20% each), with land ownership (13%) and health issues (7%) following behind (see Figure 3).

**Figure 3 Requests and Cases Managed by Area of Concern of Requesters, 2012**

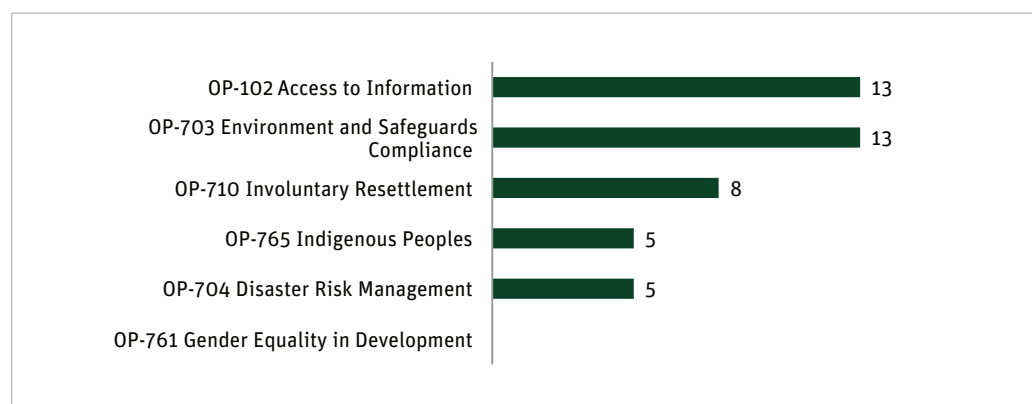


Source: ICIM statistics.

As per its mandate, the ICIM addresses concerns from people who allege having been, or who could potentially be, directly and materially adversely affected by an action or omission of the IDB in violation of any of its relevant operational policies for a Bank-financed operation. During its current pilot phase, the ICIM covers six operational policies: Access to Information (OP-102); Environment and Social Safeguards Compliance (OP-703); Disaster Risk Management (OP-704); Involuntary Resettlement (OP-710); Gender Equality in Development (OP-761); and Indigenous Peoples (OP-765).

The 2012 portfolio of 15 Requests and cases managed cited one or more operational policies in their initial communications with the ICIM. Of these, 87% (13) of Requests alleged lack of access to information or cited the Access to Information Policy (OP-102); 87% (13) cited environmental issues or lack of compliance with the Environment and Social Safeguards Compliance Policy (OP-703); 53% (8) referred to resettlement issues or the Involuntary Resettlement Policy (OP-710); 33% (5) cited the Indigenous Peoples Policy (OP-765); and 33% (5) cited disaster risk management issues or the Disaster Risk Management (OP-704). No initial mention of the Gender and Equality in Development Policy (OP-761) was made in any of the Requests and cases managed in 2012 (see Figure 4).

**Figure 4** Requests and Cases Managed:  
Operational Policies Cited or Referenced by Requesters in Their Original Requests, 2012



Source: ICIM statistics.

It is important to highlight that the ICIM does not require requesters to cite the specific operational policy (or policies) that they believe has (have) not been followed by the Bank and therefore may have caused them harm. Nor does the ICIM expect requesters to have full knowledge of the operational policies of the Bank. This issue is of importance when analyzing the data regarding the policy involved, as it may be the case that the requester cites one policy but the issue involved in fact falls under the category of a different policy within the ICIM mandate (e.g., access to information actions are included in more than one of the policies, but requesters tend to generically cite the Access to Information Policy).

The second category of analysis of the 2012 Request and Case Management portfolio—the Bank operation to which Requests and cases relate—provides useful information on the project side. Most requests dealt with public sector operations, particularly those classified as category A for their environmental and social impact (see Table 3).

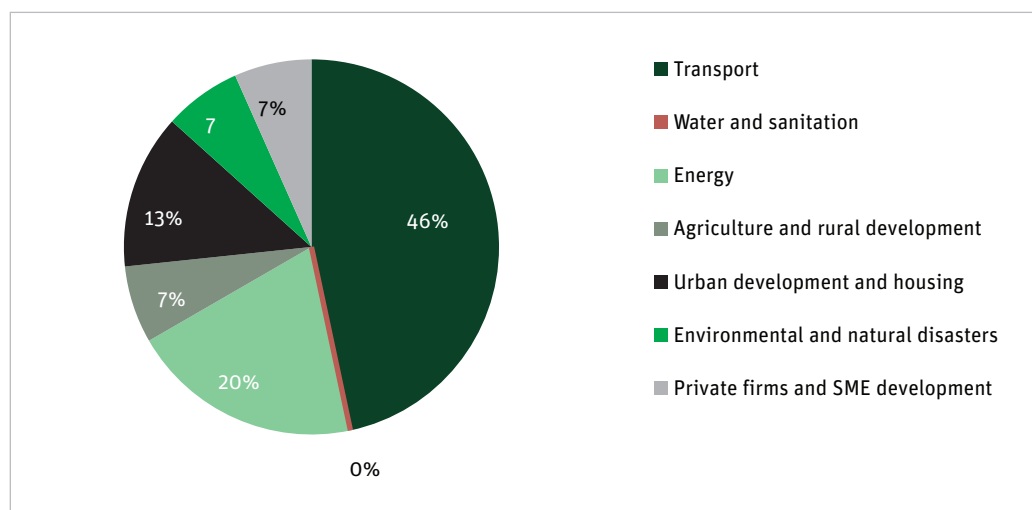
**Table 3** Request and Case Management: Statistics about the Related Bank Operation

<b>By type of borrower</b>	<b>80%</b> are public sector operations (12)
	<b>20%</b> are private sector operations (3)
<b>By category of environmental and social impact</b>	<b>66%</b> are <b>category A</b> projects, i.e., those that are likely to have a significant negative environmental and associated social and cultural impact, whether direct, indirect, regional, or cumulative (10)
	<b>20%</b> are <b>category B</b> , i.e., those that are likely to have a mostly local and short-term negative environmental and associated social and cultural impact, and for which effective mitigation measures are readily available (3)
	<b>7%</b> are <b>category C</b> , i.e., those that are likely to have a minimal or no negative environmental and associated social and cultural impact (1)

Source: ICIM statistics.

As in past years, 46% (7) of Requests and cases managed during 2012 involved the transport sector, followed by 20% (3) related to energy and 13% (2) related to urban development and housing (see Figure 5).

**Figure 5** Requests and Cases Managed by Sector, 2012



Source: ICIM statistics.

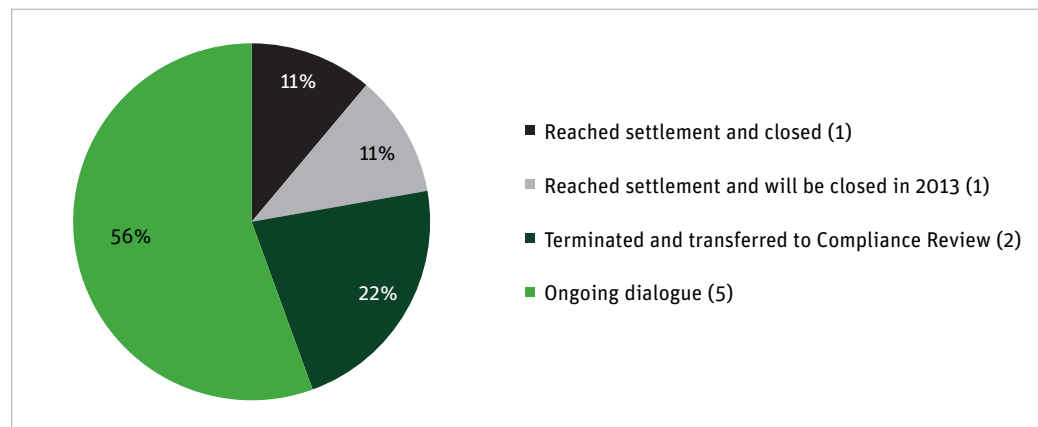
Note: SME = small and medium-sized enterprise.



## Consultation Phase

The Consultation Phase team managed nine active cases in 2012: seven carryover cases plus two Requests declared eligible during the first part of the year. One of the cases—a Request from an Argentinian physician regarding environmental hazards and the significant negative impact on human health that would be caused by implementation of a project—was brought to settlement and closed. A second case was in the process of settlement at the end of the year and was expected to close during the first quarter of 2013. The case involved a Request from a resident of a locality who alleged lack of information, environmental misclassification of the project, negative effects on ecologically protected areas, a lack of due process for expropriation, and potential health risks due to the technology to be used at the proposed transmission plant, among other environmental effects. The Consultation Phase was terminated for two other cases—one from Brazil and another from Panama—because the parties were not amenable to dialogue. The two cases were transferred to the Compliance Review Phase as requested by the complainants. The remaining five cases were at different stages of the dialogue process as of end-December 2012 (see Figure 6).

Figure 6 Status of Consultation Phase Case Workload as of end-2012



Source: ICIM statistics.

In general, by the time complaints reach the ICIM, trust between the parties has been seriously eroded. The role of the Project Ombudsperson is to ensure a balanced relation between the parties and to provide equal opportunities and conditions – both formally and substantively – to engage in a meaningful solution-seeking process. In the Consultation Phase, the parties are treated evenhandedly and transparently, making sure that all parties have equal access to project-related information and that the playing field is adequately leveled during the process. Two cases, one in Argentina and the other one in Bolivia, are examples of how a structured dialogue process builds trust among the parties and helps them to address concerns.



## ENTRE RÍOS, ARGENTINA: Restoring Communication and Trust

One of the legacies from the Independent Investigation Mechanism (IIM), predecessor of the ICIM, was Request AR-MIC1001-2010 related to the Multiphase Development Infrastructure Program: Support for Production in Entre Ríos (1914/OC-AR). This operation is currently in execution in Argentina and involves the construction of an electricity transmission plant in Entre Ríos Province.

The requesters alleged that the IDB failed to disclose project-related information, preventing the participation of neighboring communities in project design and implementation, and that the Bank had not complied with its operational policies for environmental impact assessments. The requesters were opposed to the location of the electrical plant.

The consultation team found from the start that communication and trust between the requesters and the executing agency (Energía de Entre Ríos Sociedad Anónima – ENERSA) had seriously deteriorated. ENERSA's reputation was severely damaged, there was a major delay in project execution due to three-and-a-half years of legal disputes and public protests, and there was a high risk that the problem might escalate without intervention. The consultation process helped open communication channels and restore trust between the parties. With the help of an independent expert hired by the ICIM, the requesters' concerns were identified and potential mitigation measures explored.

ENERSA addressed health and environmental concerns and clarified the scope of the project. After long negotiations, the parties achieved consensus on the location of the plant and started discussing additional mitigation and compensation measures. During the dialogue process, public protests stopped and project activities resumed and accelerated.

As a result of the process, the parties signed an agreement on December 18, 2012. The contents of the agreement had been endorsed by a Provincial Decree on December 4, 2012. In addition to mitigation and compensation measures, the agreement establishes a Community Participatory Plan that was jointly developed by the parties and will be monitored by the ICIM.

## Bolivia: Building Bridges among Communities

This case (BO-MIC1001-2011) involved the construction and operation of a bridge linking the towns of Rurrenabaque and San Buenaventura in Bolivia. The project was the Northern Corridor Highway Improvement Program, Santa Bárbara-Rurrenabaque Section (1833/SF-BO). The requesters alleged that the location proposed by the executing agency (the Bolivian Highway Authority, ABC) would have several negative environmental and social effects, including a negative impact on urban infrastructure and tourism activities of Rurrenabaque. They also alleged that access to information and public consultations were inadequate.

Before the ICIM's intervention, trust between the stakeholders was severely strained, and the IDB's reputation was at high risk. The population of Rurrenabaque organized public protests against the Bank and the ABC. Furthermore, social conflict between citizens of Rurrenabaque and other groups in the region that thought the citizens of Rurrenabaque opposed the construction of the bridge altogether culminated in civil unrest and violence. In December 2010, citizens from Rurrenabaque (including some of the requesters) were taken hostage by members of those other groups.

The consultation process helped restore trust among the parties and opened important channels of communication. With the support of an independent technical expert, and through

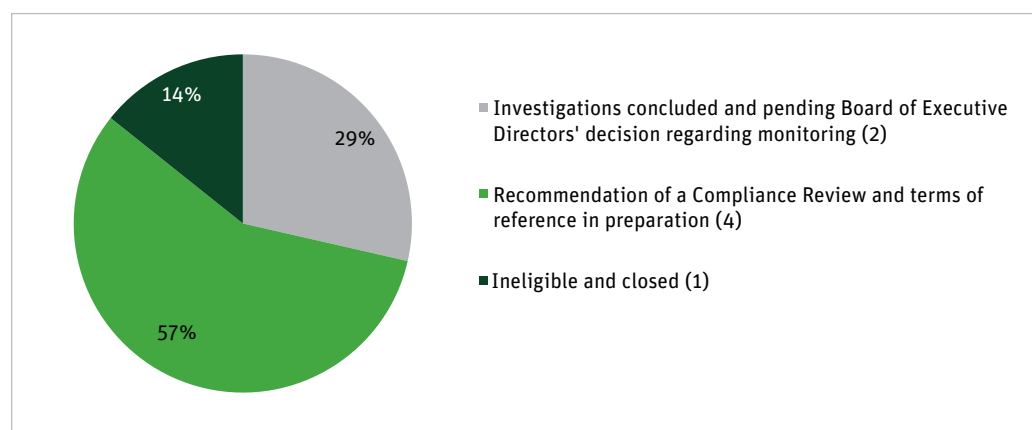
a process of information exchange, the parties clarified and demystified important information related to the bridge and its effects.

As a result of the dialogue, the parties signed a Process Agreement on June 6, 2012. The ABC agreed to prepare a study on an alternative location for the bridge, taking into account not only technical and financial aspects but also social and environmental considerations. The requesters and the ABC agreed to establish a Technical Committee, comprised of representatives of both towns, to work together with the executing agency in the planning and supervision of the above-mentioned study. The ABC will then assess alternative locations proposed by the Technical Committee. Since the signing of the Process Agreement, the parties have complied with the settlement and protests related to the project have stopped.

### Compliance Review Phase

During 2012, the Compliance Review Panel managed seven active cases: five carryover cases and two new cases transferred from the Consultation Phase that were declared eligible for a Compliance Review. For two of the cases, one in Panama and the other in Paraguay, investigations were completed and panel reports issued. For the Paraguay case (PR-MIC1002-2010), the panel submitted its report to the IDB Board of Executive Directors during the last quarter of 2012 for consideration during the first quarter of 2013. With regard to the remaining five cases, the panel is in the process of issuing recommendations for a Compliance Review for four of them and one was declared ineligible and closed (see Figure 7).

Figure 7 Status of Compliance Review Phase Case Workload as of end-2012



Source: ICIM statistics.

For the Compliance Review Panel, 2012 represented the first full-case cycle, with the closing of two investigations and the issuance of the first two ICIM panel reports.



### Panama: Pando-Monte Lirio Hydroelectric Power Project – 2266/OC-PN

In October 2012, the Compliance Review team concluded the Panel Report for this case and presented its main findings and conclusions to the IDB Board of Executive Directors. The report was based on factual and technical information collected during the Compliance Review Panel's work, which included a full desk review and a site visit to Panama.

The main conclusions of the report include that the IDB failed to comply with its Environment and Safeguards Compliance Policy (OP-703B and B-9) and Operations Administration Policy (OP-304) by not taking a precautionary approach to mitigate potential environmental effects and by failing to ask the borrower to provide alternative solutions to preserve the ecological flow of the Chiriquí River.

The Board of Executive Directors accepted the panel's recommendations and instructed Management to produce an action plan. Additionally, it revoked the authority of the Structured and Corporate Financing Department to approve waivers for the loan. The Board also indicated that it must be informed of future disbursements.





### Paraguay: Program to Improve Highway Corridors – 933A/OC-PR

During the last quarter of 2012, the Compliance Review Panel issued its report with findings and conclusions about the Program to Improve Highway Corridors. This was a particularly challenging investigation for the Compliance Review Panel because the program was designed in the 1990s. The project documents were difficult to assess and most staff originally involved in the project no longer worked for the IDB. Thus, the available information had to be examined carefully, taking into consideration all the institutional and technical changes that took place over the past two decades.

The panel's principal conclusion is that failure to enforce compliance with relevant Bank operational policies to ensure appropriate design and implementation of the offset provisions stipulated in the loan contract was an important contributing factor to the harm alleged by the Aché indigenous people. The report found inadequate monitoring of implementation of the Environmental Sub-Program, including land purchases and titling for indigenous communities. It also found that procedures for classifying and evaluating environmental effects of IDB operations were not adequately followed as required by the objectives of the Bank's environment policy.







## Outreach and Training

In order to fulfill its mandate effectively, the ICIM needs to ensure that people inside and outside the Bank understand the Mechanism and have access to it. During 2012, the team carried out a series of actions to raise awareness about the ICIM and its scope and processes. These included participating in international events, one-on-one meetings with civil society representatives, providing information for different academic studies and reports, producing “how to” materials, and revising the ICIM website to facilitate navigation. The ICIM initiated an open door policy to respond both internally and externally to requests for information in a timely and approachable fashion.

### Participation in Events

In March 2012, the Executive Secretary participated in the Annual Meeting of the Boards of Governors of the Inter-American Development/Inter-American Investment Corporation (IIC) in Montevideo, Uruguay. During the event, the ICIM held several one-on-one meetings with civil society representatives, distributed its 2011 Annual Report, and discussed its results with participating delegates (see Box 1).

#### BOX 1. ICIM OUTREACH

- Participation in the 2011 IDB-IIC Annual Meetings in Montevideo, Uruguay.
- Participation in the Rio+20 United Nations Conference on Sustainable Development in Rio de Janeiro, Brazil.
  - » Presentation on “Accountability in International Financial Institutions: Measuring Its Success in the Context of Sustainable Development.”
- Participation in the 9th Annual Meeting of Independent Accountability Mechanisms, Luxembourg
  - » Presentation at the session on Independent Accountability Mechanisms with Civil Society, International Right to Know Day on “Transparency and Development Finance - Can We achieve Better Results?”
- Participation in the XII Annual IDB-Civil Society meeting in San Salvador, El Salvador
  - » Presentation on “The Independent Consultation and Investigation Mechanism: An Instrument for Promoting Sustainability at the Service of Civil Society”
  - » Presentation on “The ICIM Process and Its Experiences”
  - » Bilateral meetings with IDB liaisons and civil society representatives.
- Participation in the seminar on “Independent Accountability in International Development: Perspectives from International Financial Institutions” sponsored by the Society for International Development in Washington, D.C.
- Presentation to members of the IDB Civil Society Consultative Group, including civil society representatives in Chile, Costa Rica, and Ecuador.

In June 2012, representatives of the ICIM, along with other accountability mechanisms, attended the Rio+20 United Nations Conference on Sustainable Development in Rio de Janeiro, Brazil. The summit and the various side events organized by different NGOs afforded the ICIM delegation the opportunity to participate in panels and sessions and to offer input about creating a better understanding on accountability issues in general and the ICIM model in particular.



During the summit, the Project Ombudsperson made a presentation entitled “Accountability in International Financial Institutions: Measuring Its Success in the Context of Sustainable Development.” The presentation focused on building blocks and core elements of the concept of accountability in development financing and how to measure its impact on sustainable development.

In September 2012, the Project Ombudsperson and the Panel Chairperson participated in the 9th Annual Meeting of Independent Accountability Mechanisms in Luxemburg. The event facilitated the sharing of experiences among peer institutions engaged in independent accountability activities. An ICIM presentation entitled “Transparency and Development Finance – Can We Achieve Better Results?” outlined challenges common to independent accountability mechanisms and approaches conducive to attaining better results by applying best practices and knowledge-sharing. In addition, ICIM contributed to other sessions including “Methods of Fact Finding” and “Investigation and Harmonization among Accountability Mechanisms.”

In October 2012, the Executive Secretary represented the ICIM at the XII Annual IDB – Civil Society Meeting in San Salvador, El Salvador. The ICIM organized two sessions at the meeting. The first was entitled “The Independent Consultation and Investigation Mechanism: An Instrument for Promoting Sustainability at the Service of Civil Society.” It focused on the role of the ICIM and the basic elements for its access. The second session was an interactive workshop that presented the work of the ICIM in a practical context within the framework of three specific closed cases.



ICIM presentation at the XII Annual IDB-Civil Society meeting on “The ICIM Processes and its Experiences” in San Salvador, El Salvador.

In November 2012, the Project Ombudsperson made a presentation at a seminar on “Independent Accountability in International Development: Perspectives from International Financial Institutions” sponsored by the Society for International Development in Washington, D.C. The presentation focused on the ICIM and its functions, as well as issues related to the benefits to clients of having accountability mechanisms in place. The presentation also looked at highlights related to commonalities among accountability mechanisms across organizations, including challenges faced, institutional differences, policies in place within respective organizations, and the contribution of the mechanisms to overall enhanced accountability of financial institutions.

## Publications and Brochures

The ICIM devoted considerable effort during the year to producing and disseminating a variety of publications in collaboration with Bank units, other accountability mechanisms, and other multilateral organizations (see Box 2).

### BOX 2. PUBLICATIONS AND BROCHURES

- Collaborative efforts to promote accountability
  - » *Citizen-driven Accountability for Sustainable Development: Giving Affected People a Greater Voice – 20 Years On*. Contribution to Rio+20 by the Independent Accountability Mechanisms Network
  - » *Civil Society Engagement with the Independent Accountability Mechanisms: Analysis of Environmental and Social Issues and Trends*, produced by the Office of the Compliance Advisor Ombudsman
- Public participation
  - » Awareness Raising Guide, Sustainable Development Department, Organization of American States (publication pending)
- How to access the ICIM
  - » Brochure for potential requesters in the region (English, Spanish, and Portuguese)
  - » *My Portable Checklist*

## Training Sessions and Advisory Function

In 2012, the ICIM made a number of presentations to IDB staff. In addition, the Project Ombudsperson advised Senior Management and the technical team about several systemic issues. At the country level, the Project Ombudsperson noted an increased awareness and involvement of civil society as well as the presence of more active neighbors and communities in project areas. At the operational level, it was emphasized that due to the shift in size, type, and class of the Bank’s portfolio, coupled with an increase in lending activities for infrastructure projects, there was a higher risk of unexpected negative effects from projects. This in turn increases the likelihood of receiving more complaints from those potentially affected by the projects (see Box 3).



### BOX 3. TRAINING SESSIONS

- Presentation to IDB staff in the Country Office in Trinidad and Tobago on the ICIM's process and interaction with IDB Management
- Presentation to IDB staff in the Country Office in Argentina on the ICIM's process and interaction with IDB Management
- Presentation to Management of the External Relations Department (EXR) about the ICIM and to define areas related to the ICIM's dissemination plan where the Mechanism and EXR could work together
- Presentation to IDB staff in the Country Office in Brazil on the Consultation Process
- Presentation to the Civil Society Liaison in Barbados
- Presentation to IDB staff in the Country Office in Guyana on the ICIM's process and interaction with IDB Management
- Production of a video about the ICIM as part of the Knowledge and Learning Department's Onboarding Program
- Presentation in the framework of the onboarding workshop for new Executive Directors, Alternate Executive Directors, and Counselors
- Presentation to personnel of the Office of Institutional Integrity on the role and work of the ICIM, including an interactive session regarding the handling of complaints about corruption or fraud that may be received by the ICIM in error
- Technical briefing to Executive Directors, Alternate Executive Directors, and Counselors

### ADVISORY SESSIONS

- Presentation to IDB senior management and technical staff on the Consultation Process: First Experiences of the Project Ombudsperson

## Generation of Knowledge

A fundamental function of the ICIM is to disseminate knowledge and lessons learned to Bank staff in order to strengthen project design, implementation, and sustainability. During 2012, several activities were undertaken to ensure that Bank staff at headquarters and in the Country Offices better understand the ICIM and its mandate. At the same time, the ICIM initiated collaborative efforts with the Knowledge and Learning Department to increase the impact of ICIM initiatives in the field by identifying how ICIM knowledge products could better serve as a tool to strengthen project teams. The collaboration started with a small survey of Bank staff that showed the need to clarify processes and provide guidelines to enhance interaction between Management and the ICIM with regards to timeliness and level of response. The survey also underscored the value assigned by project teams to knowledge products to improve project outcomes. The initiative opens up a major opportunity for the ICIM, which has first-hand knowledge of the concerns of the population in the region and has the institutional independence to draw valuable lessons from those concerns and make recommendations.





## Summaries of Registered Requests by Country

### ARGENTINA

Multiphase Development Infrastructure Program: Support for Production in Entre Ríos – 1914/OC-AR	
<b>Requester(s):</b> The Folonier family and neighbors of the area <b>Date of Request:</b> June 2010 <b>Request ID:</b> AR-MICIO01-2010	<b>Related Operational Policies:</b> OP-102 and OP-703 <b>Phase:</b> Consultation <b>Current Status:</b> Open – Agreement signed, Consultation Phase Report under preparation to formally close the case

#### The Request

In June 2010, the Folonier family presented a Request to the ICIM expressing concerns about the environmental and social impact that could result from construction and operation of an electrical transmission plant. The requesters claimed there was a lack of information; an apparent environmental misclassification of the project; ecological risks because the plant will be surrounded by areas already environmentally protected; lack of due process for expropriation; and potential health risks due to the technology to be used at the transmission plant.

#### ICIM Actions

The process began in September 2010, and the Request was declared eligible for the Consultation Phase in October 2010. The evaluation identified the technical aspects related to the project's impact and risk management plans, making it possible to conclude, in March 2011, that a dialogue among the parties was feasible. The dialogue formally started at the end of April 2011 with the participation of the requesters, the electricity company (*Energía de Entre Ríos Sociedad Anónima* – ENERSA), which is the project executing agency and coordinating unit, the provincial government, and the IDB project team, whose members participated as observers.

In November 2011, the parties drafted an agreement that was submitted to the Entre Ríos provincial government for analysis and endorsement. The changes made by provincial authorities to the draft agreement were not accepted by the requesters. As a consequence, after numerous bilateral conversations, the parties returned to the dialogue table in March 2012. From April to June 2012, the Consultation Phase team facilitated additional dialogue sessions to discuss and prepare a revised draft agreement, and in September 2012 the parties approved the final agreement. The agreement was endorsed by the provincial authorities on December 4, 2012 and signed by the parties on December 18, 2012. The Consultation Phase Report will be completed in 2013, at which time the case will be declared officially closed.

#### Food and Agriculture Health and Quality Management Program – 1950/OC-AR

**Requester:** Dr. Graciela Gómez

**Date of Request:** January 2012

**Request ID:** AR-MICI004-2012

**Related Operational Policies:** OP-102 and OP-703

**Phase:** Consultation

**Current Status:** Settled and closed

**2012 Reports:** [Eligibility Memorandum](#); [Assessment and Consultation Phase Report](#)

### The Request

In January 2012, the ICIM received a Request from Dr. Graciela Gómez in which it was alleged that implementation of the project would cause environmental hazards and have a significant negative impact on human health. In addition, the requester claimed that the executing agency, the National Food and Agriculture Health and Quality Service (SENASA), had not published the results of the public consultation carried out on the new toxicological classification of plant health products.

### ICIM Actions

Pursuant to Article 40(h) of the ICIM policy, the eligibility analysis was suspended in order for the project team and the requester to directly address the issues presented. When this period concluded, the requester indicated that her concerns had not been addressed to her satisfaction and decided to continue to pursue her complaint to the ICIM. In April 2012, the Request was declared eligible for the Consultation Phase.

The assessment stage began in May 2012 with a field mission to Buenos Aires and initial activities in preparation for a dialogue. On July 17, 2012, the consultation team facilitated an exchange of information session between the parties in order to clarify key issues, including the executing agency's mandate and the scope of the project in relation to the requester's concerns. The parties discussed and prioritized the following issues: (1) SENASA's standard-setting program; (2) the classification and registration of agrochemical products; (3) the application of agrochemical products, and (4) the procedures for consultations with the general public. The session resulted in reaching important understandings about these issues. As a result, on July 18, 2012, the parties signed an agreement under which SENASA ratified its intention to address, within the framework of its authority and current legal system, the issues raised by the requester. Among other commitments, the executing agency is studying a new procedure for publishing the results of public consultations. Also, the IDB project team and SENASA will consider including training and awareness activities for provincial and municipal governments in the correct use of agrochemicals. As per the parties' decision, the IDB project team leader will follow up on implementation of the agreement.

The ICIM declared the case closed with the issuance of an Assessment and Consultation Phase Report in July 2012.



## BOLIVIA

### Northern Corridor Highway Improvement Program, Santa Bárbara-Rurrenabaque Section – 1833/SF-BO

**Requester:** The Bolivian Forum on Environment and Development (FOBOMADE)

**Date of Request:** March 2011

**Request ID:** BO-MIC1001-2011

**Related Operational Policies:** OP-102 and OP-703

**Phase:** Consultation

**Current Status:** Open – Signed process agreement - Dialogue

### The Request

In March 2011, the ICIM received a Request from a Bolivian nongovernmental organization on behalf of concerned citizens. The requesters alleged that the construction and use of the bridge between Rurrenabaque (Beni Department) and San Buenaventura (La Paz Department) in the planned location could have a significant negative environmental and social impact on populations in both departments. They also claimed that the executing agency, the Bolivian Highway Authority (ABC), handled the information and conducted public consultations inadequately.



### ICIM Actions

In April 2011, the Request was declared eligible for the Consultation Phase. The assessment stage, which ended in August 2011, concluded that the project's environmental analysis lacked details regarding, among other issues, (1) alternative designs and locations for the planned bridge; (2) the indirect impact of the bridge; (3) the impact of the bridge's access routes; and (4) mitigation and compensation measures. The assessment noted that the consultation process with communities might not have been conducted adequately. It confirmed that there was no opposition to the construction of the bridge, per se, but rather to the proposed location and its access routes. Although trust between the parties had been severely eroded and there was a tendency to take an inflexible stance, the parties confirmed their willingness to enter into the dialogue process. The process of preparation for dialogue started on September 2011, and from January to June 2012 the team facilitated a complex exchange of information between the parties. This culminated in a meeting on June 5, 2012, during which the parties discussed and clarified the information provided to one another. On June 6, 2012, the parties signed a Process Agreement to regulate the next steps of the dialogue process. The agreement determined that ABC would study an alternative location for the planned bridge and its access routes. The requesters committed to establishing a technical committee with representatives of both towns to analyze the alternative presented by the ABC and to follow up on the new studies. In November 2012, the parties agreed on the final text of the contract between the ABC and the consulting firm PROES to carry out studies of the alternative location. The executing agency submitted the contract to the Bank for its consideration. The Bank agreed to the terms, and the process of dialogue will continue following the rules set forth in the Process Agreement.

## BRAZIL

### Program for Social-Environmental Recovery of the Serra do Mar and Mosaic Systems of the Mata Atlântica – 2376/OC-BR

**Requester:** Mongue Coastal System Protection Organization, represented by Mr. Plinio Melo

**Date of Request:** May 2010, with prior filings in 2009

**Request ID:** BR-MICIO01-2010

**Related Operational Policies:** OP-102 and OP-703

**Phase:** Compliance Review

**Current Status:** Open – Pending submission of recommendation and terms of reference for a Compliance Review to the Board of Executive Directors

### The Request

Between May and October 2009, the requester submitted communications to the ICIM's predecessor, the Independent Investigation Mechanism (IIM). In May 2010, the Request was re-sent to the ICIM with observations and complaints regarding the replacement of the existing environmental protection system in the project area with a so-called "mosaic approach" that aims to protect special and limited conservation units instead of a large contiguous conservation area. Of particular concern to the requester was the proposed establishment of such special conservation units, changes in the conservation regime of the Juréia-Itatins Ecological Reserve in the municipality of Peruibe in São Paulo, and the Bank's plans to finance certain elements of this new approach.

### ICIM Actions

Based on the information available at the time, the Project Ombudsperson determined in October 2010 that the complaint was not eligible for the Consultation Phase. The requester subsequently asked that the complaint be submitted to the ICIM Compliance Review Panel. In December 2010, the panel chairperson determined that the Request was eligible for a Compliance Review. In March 2011, the panel presented a recommendation to conduct such a review to the IDB Board of Executive Directors, at which time further information and some clarifications were requested. Given the wide array of issues and questions in the Request, presentation of the document to the Board of Executive Directors for its consideration was postponed.

Due to the complexity and the innovative nature of the project, and the sometimes conflicting assertions of those involved in this Request, several discussions were held in 2012 with the requester and project management in the Country Office and at IDB headquarters. The conclusions will be included in a revised version of the recommendation for a Compliance Review to be presented to the Board of Executive Directors in 2013.

### Mario Covas Rodoanel Project - Northern Section – 2618/OC-BR

**Requester:** Colectivo de Entidades Ambientalistas

**Country:** Brazil

**Date of Request:** May 2011

**Request ID:** BR-MICIO03-2011

**Related Operational Policies:**

OP-703, OP-704, OP-710, and OP-102

**Phase:** Compliance Review

**Current Status:** Open - Pending submission of recommendation and terms of reference for a Compliance Review to the Board of Executive Directors

### The Request

The requesters, representing a coalition of NGOs, raised concerns about potential negative environmental and social effects of construction of the Northern Section of the Mario Covas Ring Road Project. The requesters claim that the IDB's Environmental Impact Assessment failed to include certain aspects that are fundamental to the decision-making process and to eventual implementation of the project. The major concerns raised by the requesters include (1) increased impact on the environment (flora, fauna, and water resources), (2) risk of flooding and natural disasters, (3) soil and water pollution, (4) damage to the natural habitat, (5) climate change, (6) health-related issues due to pollution, (7) resettlement issues, and (8) inadequate participation of the affected population and civil society.

### ICIM Actions

The Request was declared ineligible for the Consultation Phase in August 2011. The Project Ombudsperson concluded that it was difficult to link the allegations made in the Request solely to the project, which was, at the time, only in the design stage. In addition, the link between broader concerns and the specific effects of the project alleged by the requesters was not identified *prima facie*, and the requesters failed to specify the associated possible IDB actions or omissions (at that time or in the future). Since the requesters had already stated their desire for a Compliance Review, the Request was transferred to the Compliance Review Phase.

After analyzing the issues raised in the Request, assessing new information, and comparing them with the information provided by IDB Management, the Panel Chairperson declared the Request eligible for a Compliance Review by the panel in December 2011. The recommendation and terms of reference are under preparation.





#### Low-Income Neighborhood Improvement Program (Habitar Brasil) – 1126/OC-BR

**Requesters:** Families that did not accept the conditions of the resettlement, represented by the Central de Movimentos Populares de São José dos Campos

**Date of Request:** June 2011

**Request ID:** BR-MICIO04-2011

**Related Operational Policies:**  
OP-102, OP-710, and OP-703

**Phase:** Consultation

**Current Status:** Open – Dialogue

2012 Report: [Assessment Report](#)

### The Request

This Request describes certain actions that might have caused significant social harm as a result of the implementation of the program in São José dos Campos in the State of São Paulo. The requesters' allegations included that the program caused resettlement of three communities to a remote area that lacks basic infrastructure, resulting in the deterioration in living conditions. The requesters also alleged that some families that did not accept the terms and conditions of the resettlement had to leave their homes and move to a hangar, where they have since lived under makeshift conditions.

### ICIM Actions

The Request was declared eligible for the Consultation Phase in August 2011. The requesters are families from the Vila Nova Tatetuba community that did not accept the resettlement framework proposed by the Habitar Brasil Program in São José dos Campos at the time. They alleged that the resettlement to a remote area lacking basic infrastructure and employment opportunities would have caused their impoverishment. The requesters have lived in makeshift dwellings in a hangar of the former federal rail system since 2004, when they were evicted from their houses.



In December 2011, the Assessment Report noted, among other findings, that the executing agency offered only one option to the residents of the resettled communities: the conditional provision of a housing unit in the *Jardim* São José II neighborhood, which apparently did not guarantee the maintenance or improvement of living conditions of the population affected by the project. The report found that trust between the parties had broken down. Nevertheless, the Project Ombudsperson considered that a dialogue process would enable the parties to seek alternatives to address the requesters' concerns. The primary stakeholders confirmed their willingness to participate in such a solution-seeking process.

From December 2011 to March 2012, the Consultation Phase team prepared the parties for the dialogue culminating in an exchange of information session in March 2012 to rebuild communication channels and trust between the parties. From April to May 2012, the parties met twice and agreed that the original families as well as new family units originating from their descendants will be provided housing units in the event of an agreement. In June 2012, the parties also agreed on the housing typology and location criteria to be considered by the executing agency in its housing solution proposal.

In October 2012, the Consultation Phase team met with the parties separately to discuss the prospective housing solution offer that has been prepared by the executing agency. At that time, the proposal was not yet concluded, mainly because it depended on other stakeholders' actions to be finalized. Recently, the dialogue process has been delayed due to municipal elections. To avoid further delays and keep working on the gains already achieved in this process, the Consultation Phase team contacted the representative of the newly elected mayor, who expressed the new administration's willingness to continue the dialogue process in 2013.

### Mario Covas Rodoanel Project - Northern Section – 2618/OC-BR

**Requester:** Mr. Mauricio Gomes de Souza

**Date of Request:** July 2011

**Request ID:** BR-MIC1005-2011

**Related Operational Policies:**

OP-102, OP-710, and OP-703

**Phase:** Compliance Review

**Current Status:** Open – Recommendation and terms of reference under preparation

**2012 Reports:** [Assessment Report](#); [Consultation Phase Report](#); [Eligibility Memorandum for the Compliance Review Phase](#)

### The Request

In July 2011, the ICIM received a Request from Mr. Mauricio Gomes de Souza, a resident of the *Jardim Itatinga* Residential Condominium (“Condominium”). The requester alleged that future construction and operation of the northern section of the Mário Covas Ring Road Project would have a negative environmental and social impact. In particular, the requester alleged that the route selected for the highway, which will pass near the Condominium, would cut through environmental protection areas. In addition, the requester claimed that his family and other residents of the area would be directly affected by the project, mainly by (1) noise and other types of pollution, (2) loss of property value and potential resettlement of some families, and (3) damage to the physical structure of their homes.



### ICIM Actions

The Request was declared eligible for the Consultation Phase in September 2011. During the assessment stage, 63 other residents of the Condominium adhered to the case and expressed their desire to participate in the dialogue process. During this process, the requesters of case BR-MIC1003/2011 submitted on behalf of the *Jardim Itatinga* Residents Association a petition for adherence to the Compliance Review process. After several communications with the requesters and their legal representative, the majority of the requesters still had not clarified their willingness to participate in a dialogue process. Therefore, the dialogue was deemed not feasible given that (1) the majority of the *Jardim Itatinga* residents had not expressly stated their willingness to engage in the dialogue process; (2) trust between the requesters and the executing agency had severely deteriorated; and (3) the ICIM could not guarantee halting the operation, which was set as a pre-condition for a dialogue process. In spite of allowing more time so that the requesters could better analyze their options and come up with a unified decision, the Project Ombudsperson had to declare the Consultation Phase officially concluded in September 2012. The case was then transferred to the Compliance Review Phase at the request of the complainants.

In November 2012, the Panel Chairperson determined that the request was eligible for a Compliance Review and provided notification that the panel would adjunct this case to BR-MIC1003-2011 and manage them jointly.



### São José dos Campos Urban Structuring Program – 2323/OC-BR

**Requester:** Central de Movimentos Populares de São José dos Campos on behalf of the families of the community of Jardim Nova Esperança

**Date of Request:** June 2011

**Request ID:** BR-MICIO06-2011

**Related Operational Policies:** OP- 102, OP-710, and OP-703

**Phase:** Consultation

**Current Status:** Open – Dialogue

**2012 Report:** [Assessment Report](#)

## The Request

This Request was submitted by the *Central de Movimentos Populares de São José dos Campos* on behalf of the families of the community of *Jardim Nova Esperança* (also known as “*Banhado*”), which would be resettled as a consequence of the project. The requesters alleged that some components of the São José dos Campos Urban Structuring Program, in particular the resettlement of the families and the construction of a road near the current location of the community, would have a potential negative social and environmental impact.

## ICIM Actions

The Request was declared eligible for the Consultation Phase in August 2011. The assessment’s conclusions included that the original resettlement plan proposed by the executing agency, the municipality of São José dos Campos, lacked meaningful consultation as well as relevant information on how it would improve the livelihoods of the affected people. Despite tension and a lack of trust between the parties, it was concluded that the ICIM process could create an opportunity for the parties to clarify relevant project-related issues and address the requesters’ concerns.



In March 2012, the requesters elected their interlocutors for the dialogue and proposed a list of issues and an agenda for the dialogue. However, the parties requested suspending dialogue preparation activities in April 2012 as they were involved in the dialogue of the BR-MICIO04-2011 case. Nonetheless, the consultation team maintained a continuous flow of relevant information between the parties to support the dialogue once it commences. Additionally the Bank project team hired a resettlement expert to advise the executing agency and to ensure compliance with the Bank’s Environment and Safeguards Compliance Policy.

In October 2012, the consultation team met with the parties, who agreed that preparation of the dialogue should be postponed until early 2013 because of municipal elections and potential changes in the executing agency’s team. The consultation team also has held meetings with the representatives of the newly elected mayor and confirmed the future administration’s willingness to continue preparations for the dialogue process.



## COLOMBIA

San Francisco-Mocoa Alternate Road Construction Project - Phase I – 2271/OC-CO	
<b>Requester:</b> Ms. Carmenza Tez, representing the Inga and Kamentsa indigenous communities <b>Date of Request:</b> July 2011 <b>Request ID:</b> CO-MICIO01-2011	<b>Request ID:</b> CO-MICIO01-2011 <b>Related Operational Policies:</b> OP-703, OP-710, and OP-765 <b>Phase:</b> Consultation <b>Current Status:</b> Open – Dialogue
<b>2012 Report:</b> <a href="#">Assessment Report</a>	

### The Request

A representative of the Inga and Kamentsa indigenous communities filed a Request with the ICIM outlining the alleged negative environmental and social impact that construction of the San Francisco-Mocoa Alternate Road is having and will likely continue to have on their communities.

The requesters alleged that the project failed to (1) properly identify and include the Inga and Kamentsa communities as an integral part of the project design and implementation; (2) specifically and adequately address the project's environmental and social impact on the communities; and (3) appropriately inform and consult with the indigenous peoples in the project's area of influence.

### ICIM Actions

In August 2011, the Request was declared eligible for the Consultation Phase. The case assessment noted that some indigenous communities and their representatives have differing perspectives about the project. Some support it, while others, without opposing it, are ambivalent about its environmental and social performance. Despite their differing views, the communities were inclined to unify behind the indigenous cause and present a joint front ahead of the upcoming dialogue process. In December 2011, the parties asked to postpone all activities related to preparations for dialogue until after the indigenous governmental elections were held that month. The elected authorities who took office in the first quarter of 2012 confirmed the commitment to initiate the dialogue process. In subsequent meetings with the executing agency (*Instituto Nacional de Vías* – INVIAS), the consultation team learned about an ongoing independent dialogue process between INVIAS and some indigenous authorities in the project region. Due to the disparities in information among the stakeholders, the executing agency agreed to undertake an exchange of information session with the requesters. The parties have shown a willingness to participate in this exchange. However, the requesters and other indigenous authorities have again requested a postponement in the ICIM process because of the indigenous governmental elections scheduled for December 2012.

### El Dorado International Airport – 2477A/OC-CO

**Requester:** Comunidades Unidas Macro Proyecto Aeropuerto El Dorado, represented by Mrs. Gloria Cecilia Molina Villamarín

**Date of Request:** August 2011

**Request ID:** CO-MIC1002-2011

**Related Operational Policies:** OP-102 and OP-703

**Phase:** Consultation

**Current Status:** Open – Dialogue

**2012 Report:** [Assessment Report](#)

## The Request

In August 2011, the ICIM received a Request from the organization *Comunidades Unidas Macroproyecto Aeropuerto El Dorado* on behalf of residents of the *Localidad Novena de Fontibón*. The Request alleged that there could be an adverse environmental and social impact as a result of implementation of the El Dorado International Airport Project in Bogotá. The impact referred to water pollution, the operation of a solid waste incinerator, hazardous material management, and high noise levels. Furthermore, the requester claimed that social obligations to address the concerns of the affected people and to mitigate the operation's impact on the community were not being fulfilled.

## ICIM Actions

After providing Management with an opportunity to address the issues raised in the Request, the Project Ombudsperson declared the case eligible for the Consultation Phase in November 2011. The assessment clarified the issues presented in the Request and the responsibilities of the executing agency (*Operadora Aeroportuaria Internacional – OPAIN*) and the Special Civil Aeronautics Administrative Unit (*Aerocivil*) regarding each of the concerns. The assessment also determined that the conditions were favorable to proceed with the dialogue process. By the end of 2012, the parties were involved in preparation of the dialogue. It is expected that an exchange of information session to develop the dialogue methodology will take place during the first quarter of 2013.



## COSTA RICA

Electric Interconnection System for the Central American Countries (SIEPAC) – 1908/OC-CR	
<b>Requester:</b> Ms. Yamileth Román Segura, representing the La Alfombra Community <b>Date of Request:</b> December 2010 <b>Request ID:</b> CR-MICI001-2011	<b>Related Operational Policies:</b> OP-102, OP-703, OP-704, OP-710, and OP-765 <b>Phase:</b> Consultation/Compliance Review <b>Current Status:</b> Closed for both phases
<b>2012 Report:</b> <a href="#">Eligibility Memorandum for the Compliance Review Phase</a>	

### The Request

The president of the SIEPAC-La Alfombra Committee, a community association in Costa Rica, filed a Request in December 2010. The requester alleged that the planned construction of power transmission facilities near the community of La Alfombra could cause irreversible damage to people and ecosystems in the area, particularly to forestry and water resources, biodiversity, and local livelihoods, with a special focus on ecotourism. The community is concerned that the construction of a power tower could considerably modify the surrounding landscape, producing a negative visual impact that could discourage ecotourism in the area and negatively affect the local economy.

### ICIM Actions

The Request was declared eligible for the Consultation Phase in April 2011. During the assessment stage, the Consultation Phase team travelled twice to Costa Rica, met with the community and its representatives, the executing agency, and other relevant stakeholders, and visited the project site to better understand the issues included in the Request and project performance on the ground. However, the polarized positions of the parties, and the numerous judicial processes in which they were involved, made dialogue unfeasible. As a result, the Project Ombudsperson declared the Consultation Phase terminated.

The requesters asked to have their Request transferred to the Compliance Review Phase. The Request was declared ineligible on January 2012 and the case was closed.

## PANAMA

Pando-Monte Lirio Hydroelectric Power Project – 2266/OC-PN	
<b>Requester:</b> Alianza Ambiental Pro Defensa Integrada de Panamá (AAPRODIPA) - Association of 16 Panamanian NGOs <b>Date of Request:</b> March 2010 <b>Request ID:</b> PN-MIC1001-2010	<b>Related Operational Policies:</b> OP-102, OP-703, OP-704, OP-710, and OP-765 <b>Phase:</b> Consultation/Compliance Review <b>Current Status:</b> Investigation completed – Management Action Plan pending
<b>2012 Report:</b> <a href="#">Panel Report</a>	

### The Request

A Request by a group of 16 Panamanian NGOs was submitted to the Independent Investigation Mechanism in March 2010, expressing social and environmental concerns related to the Pando-Monte Lirio Hydroelectric Energy Project. The project is financed by the IDB, the International Finance Corporation (IFC), the Andean Development Corporation, and other private investors. The issues addressed by the requesters included (1) negative aspects of the process undertaken for the Environmental Impact Assessment and failure to disclose information, (2) issues related to water accessibility and use, (3) an adverse impact on fish and other species, (4) destruction of mangroves located near the mouth of the river in the Gulf of Chiriquí, and (5) the possibility of flooding in communities downstream and high levels of sedimentation. The requesters also raised social concerns with respect to the granting of long-term water concessions on the already-busy river.

### ICIM Actions

The Request was declared eligible by the Consultation Phase and a dialogue process was initiated in coordination with the Compliance Advisor/Ombudsman (the IFC's accountability mechanism, which had received a similar complaint in January 2010). However, the project sponsor, Electron Investment, S.A., withdrew from the process, marking the conclusion of the Consultation Phase. At the request of the complainants, the case was passed to the Compliance Review Phase.

The Panel Chairperson determined that the Request was eligible for a Compliance Review, which was approved by the IDB Board of Executive Directors in November 2011. The Compliance Review Panel team visited the site in December 2011. In October 2012, the team concluded the Panel Report for this case and presented its main findings and conclusions to the Board of Executive Directors. The report was based on factual and technical information assembled during the compliance review panel's work, which included a full desk review and the site visit to Panama.

The report's main conclusions include that the IDB failed to comply with its Environment and Social Safeguards Policy (OP-703B and B-9) and Operations Administration Policy (OP-304) by not taking a precautionary approach to mitigate potential environmental effects and by failing to request from the borrower alternative solutions to preserve the ecological flow of the Chiriquí River.

The Board of Executive Directors accepted the panel recommendations and instructed Management to produce an action plan. It was agreed that the authority delegated to the Structured and Corporate Financing Department to approve waivers under loan 2266/OC-PN would be revoked, and that Management would provide information to the Board on future disbursements.

### Panama Canal Expansion – PN MICIO02/2011

**Requester:** Mrs. Leila Shelton, on her own and on behalf of the NGO coalition known as Alianza Pro Panamá.

**Date of Request:** October 2011

**Request ID:** PN-MICIO02-2011

**Related Operational Policies:**

OP-703, OP-704, and OP-102

**Phase:** Consultation/Compliance Review

**Current Status:** Open – Recommendation and terms of reference under preparation.

**2012 Reports:** [Assessment and Consultation Phase Report](#), [Eligibility Memorandum for the Compliance Review Phase](#)

### The Request

In October 2011, Mrs. Leila Shelton submitted a Request to the ICIM on her own and on behalf of the NGO coalition known as *Alianza Pro Panamá*. The requesters' allegations included the following: (1) lack of transparency, incomplete disclosure, and misrepresentation of project-related information; (2) potential salt intrusion into the transited lakes of the canal; and (3) lack of adequate risk identification and mitigation measures related to an important seismic fault threatening the canal's Pacific end.

### ICIM Actions

After providing Management with an opportunity to directly address the issues raised in the Request, which did not satisfy the requesters, the Request was declared eligible in February 2012 for the Consultation Phase. During the assessment stage, the executing agency declined to engage in a dialogue process. As a consequence, the Project Ombudsperson concluded the Consultation Phase in June 2012.

The requester asked that the case be transferred to the Compliance Review Phase. The Panel Chairperson determined in September 2012 that the Request was eligible for a Compliance Review. It is the panel's view that this is a complex infrastructure operation that involves a wide array of social and economic issues. In addition, the Panama Canal Expansion Program is financed by several international financial institutions, which have also received requests for compliance reviews. The panel expects to work in cooperation with such institutions, sharing information and findings, but undertaking an independent Compliance Review final assessment.





## PARAGUAY

Program to Improve Highway Corridors in Paraguay – 933A/OC-PR	
<b>Requester:</b> Professors Kim Hill and Magdalena Hurtado, on behalf of the Aché Community <b>Date of Request:</b> November 2010 <b>Request ID:</b> PR-MIC1002-2010	<b>Related Operational Policies:</b> OP-703, OP-710, and OP-765 <b>Phase:</b> Compliance Review <b>Current Status:</b> Open – Investigation completed: pending Board of Executive Directors decision.
2012 Reports: <a href="#">Panel Report</a>	

### The Request

In November 2010, two professors filed a Request on behalf of the Aché indigenous community of Paraguay alleging that the Aché had suffered harm and would continue to do so as a result of the Bank's failure to enforce provisions of the loan agreement that were meant to safeguard the community's rights to ancestral lands. The Request also refers to earlier forceful evictions and to International Labour Organization Convention 169, which the requesters allege supports the Aché community's claims to the disputed land.

### ICIM Actions

In December 2010, after analyzing the Request and other related documents, the Project Ombudsperson determined that the Request was ineligible for the Consultation Phase, as the requesters were not amenable to a dialogue and were interested in undergoing a Compliance Review process. In January 2011, the Request was declared eligible for a Compliance Review and in June 2011, the IDB Board of Executive Directors approved the recommendation of the panel.

The panel report was issued during the last quarter of 2012. Its main conclusion is that an important cause of the harm alleged by the Aché is the failure to enforce compliance with relevant Bank operational policies to ensure an appropriate design and implementation of the off-set provisions stipulated in the loan contract. The report also found that monitoring of the implementation of the Environmental Sub-Program, including land purchases and titling to indigenous communities, was handled inadequately, and that procedures for classifying and evaluating the environmental impact of Bank operations were not adequately followed as required by the objectives of the Environment and Social Safeguards Compliance Policy (OP-703). It is expected that the IDB Board of Executive Directors will issue its decision during the first quarter of 2013.



## Annex I

### Requests Received by the ICIM from January 2010–December 2012 and Their Status as of December 31, 2012

Based on the principle of transparency, the ICIM provides information on the status of Requests through its Public Registry located on the ICIM website ([www.iadb.org/icim](http://www.iadb.org/icim)).

		Request	Date Received	Request Registry Number	Phase	Status as of December 31, 2012
2010	1	<i>Paraguay.</i> Development of the Vegetable Sponge Products Industry	February 2010	PR-MICIO01-2010	Consultation	Resolved and closed
	2	<i>Panama.</i> Pando-Monte Lirio Hydroelectric Power Project	March 2010	PN-MICIO01-2010	Consultation	Terminated and transferred to Compliance Review
					Compliance Review	Board of Executive Directors meeting held and decision notified to the parties
	3	<i>Brazil.</i> Serra do Mar and Atlantic Forest Mosaics System Socio-environmental Recovery Program	May 2010	BR-MICIO01-2010	Consultation	Ineligible
					Compliance Review	Pending submission of recommendation to the Board of Executive Directors
	4	<i>Argentina.</i> Multiphase Development Infrastructure Program: Support for Production in Entre Ríos	June 2010	AR-MICIO01-2010	Consultation	Dialogue ongoing
	5	<i>Brazil.</i> Estrada Nova Watershed Sanitation Program (PROMABEN)	October 2010	BR-MICIO02-2010	Consultation	Resolved and closed
	6	<i>Brazil.</i> Rodoanel Oeste	October 2010	Not registered	Not processed	No prior contact with IDB, therefore, requester advised to approach Management
	7	<i>Argentina.</i> Provincial Agricultural Services II (PROSAP II)	November 2010	AR-MICIO02-2010	Consultation	Resolved and closed
	8	<i>Paraguay.</i> Program to Improve Highway Corridors	November 2010	PR-MICIO02-2010	Consultation	Ineligible
					Compliance Review	Panel Report sent to the Board of Executive Directors
	9	<i>Argentina.</i> Neighborhood Upgrading Program II (PROMEBA II)	November 2010	AR-MICIO03-2010	Consultation	Ineligible and closed
	10	<i>Costa Rica.</i> Electric Interconnection System for the Central American Countries (SIEPAC)	December 2010	CR-MICIO01-2011	Consultation	Terminated and transferred to Compliance Review
					Compliance Review	Ineligible and closed
	11	<i>Suriname.</i> Sustainable Development of the Interior	December 2010	Not registered	Not processed	No prior contact with IDB, therefore, requester advised to approach Management

		Request	Date Received	Request Registry Number	Phases	Status as of December 31, 2012
2011	12	<i>Venezuela.</i>	February 2011	Not registered	Not processed	Not within the ICIM's mandate; transferred to relevant IDB unit
	13	<i>Bolivia.</i> Northern Corridor Highway Improvement Program – Santa Barbara-Rurrenabaque and San Buenaventura	March 2011	BO-MIC1001-2011	Consultation	Process Agreement signed, Dialogue ongoing
	14	<i>Panama.</i> Panama Canal Expansion	May 2011	Not registered	Not processed	No prior contact with IDB, therefore, requester advised to approach Management
	15	<i>Argentina.</i>	May 2011	Not registered	Not processed	Not within the ICIM's mandate; transferred to relevant IDB unit
	16	<i>Brazil.</i> Mario Covas Rodoanel – Northern Section	May 2011	BR-MIC1003-2011	Consultation	Ineligible
					Compliance Review	Terms of reference in preparation
	17	<i>Colombia.</i>	June 2011	Not registered	Not processed	Request for information
	18a	<i>Brazil.</i> Neighborhood Improvement <sup>1</sup> (Habitar Brasil)	June 2011	BR-MIC1004-2011	Consultation	Dialogue ongoing
	18b	<i>Brazil.</i> Urban Development of São José dos Campos <sup>1</sup>	June 2011	BR-MIC1006-2011	Consultation	Dialogue
	19	<i>Mexico.</i> Termoeléctrica del Golfo, S.A. de C.V.	June 2011	ME-MIC1001-2011	Consultation	Ineligible
					Compliance Review	Ineligible and closed
	20	<i>Brazil.</i> Mario Covas Rodoanel – Northern Section	July 2011	BR-MIC1005-2011	Consultation	Terminated and transferred to Compliance Review
					Compliance Review	Terms of reference in preparation
	21	<i>Colombia.</i> San Francisco-Mocoa Alternate Road Construction Project – Phase I	July 2011	CO-MIC1001-2011	Consultation	Dialogue ongoing
	22	<i>Colombia.</i> El Dorado International Airport	August 2011	CO-MIC1002-2011	Consultation	Dialogue ongoing
	23	<i>Bolivia.</i> Northern Corridor Highway Improvement Program – Santa Bárbara-Rurrenabaque	September 2011	BO-MIC1001-2011	Consultation	Request incorporated into Request No. 13
	24	<i>Colombia.</i> Rural Water Supply and Sanitation	Sept. 2011	Not registered	Not processed	No prior contact with IDB, therefore, requester advised to approach Management
	25	<i>Brazil.</i> Mario Covas Rodoanel Project – Northern Section	Sept. 2011	Not registered	Not processed	No prior contact with IDB, therefore, requester advised to approach Management
	26					
	27					
	28	<i>Costa Rica.</i> Cadastral and Property Registry Regularization Program	Oct. 2011	Not registered	Not processed	Withdrawn by requester
	29	<i>Colombia.</i> Strategic Public Transportation Systems Program	Oct. 2011	Not registered	Not processed	Request for information
	30	<i>Panama.</i> Panama Canal Expansion Program	October 2011	PN-MIC1002-2011	Consultation	Terminated and transferred to Compliance Review
					Compliance Review	Terms of reference in preparation
	31	<i>Dominican Republic.</i>	October 2011	Not registered	Not processed	Not within ICIM's mandate; transferred to relevant IDB unit
	32	<i>Argentina.</i> PROSAP	October 2011	Not registered	Not processed	No prior contact with IDB, therefore, requester advised to approach Management
	33	<i>Brazil.</i>	October 2011	Not registered	Not processed	Not within ICIM's mandate; transferred to relevant IDB unit



		Request	Date Received	Request Registry Number	Phase	Status as of December 31, 2012
2012	34	<i>Argentina.</i> Food and Agriculture Health and Quality Management Program	January 2012	AR-MIC1004-2011	Consultation	Resolved and closed
	35	<i>Colombia.</i>	January 2012	Not registered	Not processed	Not within the ICIM's mandate; transferred to relevant IDB unit
	36	<i>Bolivia.</i>	January 2012	Not registered	Not processed	Not within the ICIM's mandate; transferred to relevant IDB unit
	37	<i>Brazil.</i> Estrada Nova Watershed Sanitation Program – PROMABEN	February 2012	Not registered	Not processed	Request for information
	38	<i>Trinidad and Tobago.</i> CariSal Unlimited.	April 2012	Not registered	Not processed	Request for information
	39	<i>Brazil.</i> Santa Catarina Logistics Infrastructure Program	April 2012	Not registered	Not processed	Request for contact with management
	40	<i>Peru.</i> Esquema Cajamarquilla, Nievera y Cerro Camote	May 2012	Not registered	Not processed	Request for information
	41	<i>Peru.</i> Esquema Cajamarquilla, Nievera y Cerro Camote	June 2012	Not registered	Not processed	Request for information
	42	<i>Brazil.</i> Estrada Real - Network of Tourism SMEs Mina Gerais State	July 2012	Not registered	Not processed	Request for information
	43	<i>Colombia.</i>	July 2012	Not registered	Not processed	Not within ICIM's mandate; transferred to relevant IDB unit
	44	<i>Colombia.</i> Strategic Transport System	September 2012	Not registered	Not processed	Request for information
	45	<i>Mexico.</i> Mareña Renovables Wind Project	October 2012	Not registered	Not processed	No prior contact with IDB, therefore, requester advised to approach Management
	46	<i>Uruguay.</i>	October 2012	Not registered	Not processed	Not within ICIM's mandate; transferred to relevant IDB unit
	47	<i>Mexico.</i> Request for Bank information from Auditoría Superior de la Nación	October 2012	Not registered	Not processed	Request for information
	48	<i>Brazil.</i> Mario Covas Rodoanel – Northern Section 2	November 2012	Not registered	Not processed	Request for information
	49	<i>Argentina.</i> Water Infrastructure: Northern Provinces Development	November 2012	Not registered	Not processed	Request for information
	50	<i>Honduras.</i> Indigenous and Afro-Honduran Peoples and Climate Change	November 2012	Not registered	Not processed	Request for information
	51	<i>Brazil.</i>	December 2012	Not registered	Not processed	Not within ICIM's mandate; transferred to relevant IDB unit
	52	<i>Mexico.</i> Mareña Renovables Wind Project	December 2012	ME-MIC1002-2012	Processed	Transfer to Consultation Phase scheduled for January 2013
	53	<i>Jamaica.</i>	December 2012	Not registered	Not processed	Not within ICIM's mandate; transferred to relevant IDB unit
<sup>1</sup> Requests 18a and 18b in 2011 were received as one Request but were split into two cases						

## Annex II

### The 2012 ICIM Budget

Consultation Phase <sup>1</sup>	\$ 844,512
Compliance Review Phase <sup>2</sup>	\$ 529,824
ICIM Office <sup>3</sup>	\$ 625,422
Outreach and Training	\$ 83,500
Institutional Strengthening	\$ 32,000
Contingency Fund	\$ 250,000
<b>Total</b>	<b>\$ 2,365,258</b>

Note: Figures are in U.S. dollars.

<sup>1</sup> Includes Project Ombudsperson salary.

<sup>2</sup> Includes panel fees.

<sup>3</sup> Includes salaries for the Executive Secretary and two administrative officials.



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