



***UNLOCKING
ACCOUNTABILITY:
COMPLAINT
MECHANISMS
AT THE
INTERNATIONAL
FINANCIAL
INSTITUTIONS***

CEE

bankwatch
network



Farmer near the Ukrainian-Polish border, with shale gas infrastructure looming in the background.

IFIS IN THE EU NEIGHBOURHOOD AND RUSSIA

International financial institutions (IFIs), including the World Bank Group and regional banks like the European Bank for Reconstruction and Development (EBRD) and the European Investment Bank (EIB) are active investors in the EU neighbourhood and Russia.

Oftentimes their projects and programmes have an impact the lives of ordinary people. For example infrastructure projects like dams, roads or pipelines may displace or resettle whole communities, destroying local cultural, sacred places and the environment and violating rights to land and development; But people can make their voices heard when an IFI project has violated one of its policies or procedures and seek redress for their complaints.

What are independent accountability mechanisms?

Independent accountability mechanisms refer to the instruments that were established at the IFIs in response to the global movement demanding increased justice, accountability and transparency at the IFIs. The World Bank was the first to establish its Inspection Panel in 1993, with the regional development banks and other finance institutions following suit shortly thereafter. While the mechanisms vary in scope, administration and outcomes, the mandates of all are similar – to provide recourse for people affected by IFI-funded projects when relevant social and environmental policies are perceived to have failed.

What are the safeguard policies?

All IFIs have official policies that outline the institutions' rules and requirements for protecting local people and their environment from harm. These "safeguard" policies are critical, because they shape the 'rules of the game' for development finance around the world. Much like accountability mechanisms, safeguard policies were put in place as a result of strong campaigns of local people, human rights and environmental advocates, and diverse civil society organizations. However safeguard policies at institutions are still weak and inadequate, and even when an IFI has strong safeguard policies, often there is a gap in terms of what these policies say on paper and how well these policies are enforced and implemented on the ground.

When and how to use accountability mechanisms?

When the rights of people are violated by destructive and unjust development projects, they need a way to denounce these harms, find solutions and hold the responsible institutions to account. A claim to an accountability mechanism should be based on violations of relevant safeguard policies.

In order to submit the complaint, you should prove that you have tried and are unable to solve the problem directly with the IFI project team. Keep all documentation - including letters, meeting notes, footages, photos - to show that these concerns have been raised with the IFI.

For projects that are already completed, the project's impacts should be identified and documented. If the project is only in its initial stages of design and implementation, then those bringing a complaint should determine the likely impacts that will affect the community.

How to submit a complaint?

A representative like a lawyer or an organisation can submit the complaint on your behalf, but the substance still must be documented. The complaint can be submitted in writing in any language and by letter or email.

The complaint should identify the complainants and where they live. While complaints cannot be submitted anonymously, you can request that the accountability mechanism keep your identity confidential.

The complaint should briefly describe the project and explain how it violates a community's rights or the harm it caused. Do not forget to include a history of the steps taken to resolve the issue with the IFI staff and what the outcomes have been. Attach any documents (letters, reports, photos, videos) that can be used as evidence of contact with IFI staff.

While it is not necessary to identify which safeguard policies were violated by the project, it is better to do so in advance.

Is a complaint useful?

To be clear, a complaint is not a guarantee that a problem will be easily resolved. In some cases the process can take several years, and results are not guaranteed. However, it is one tool for increasing pressure on IFIs and project developers, highlighting the abuses to media, and attracting support from abroad.

Where to send your complaint?

Complaints should be sent to the accountability mechanism of the IFI that is funding the project or programme in question.

Be sure to read carefully the description of the IFI and its accountability mechanism and the addresses of where to send complaints.



Villagers in Azerbaijan prepare a complaint to the IFC Compliance Ombudsman Advisor about the impacts of the Baku-Tbilisi-Ceyhan pipeline



The World Bank Group's mission is to reduce poverty. In recent decades it has been one of the largest institutional lenders in the Europe and Central Asia and Middle East and North Africa regions. The World Bank Group is made up of five separate entities, including the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the International Finance Corporation (IFC) the Multilateral Investment Guarantee Agency (MIGA), the International Centre for the Settlement of Investment Disputes (ICSID).

The World Bank provides over USD 30 billion in assistance to developing and transition countries every year, affecting the lives of billions of people worldwide – sometimes for the better, but often in controversial and problematic ways.

The World Bank (IBRD and IDA) lends money to low and middle-income governments for two purposes: investment projects and policy reforms. It typically finances public works like water systems, roads and schools, and it also lends for economic, institutional or other policy reforms often known as “structural adjustment” or “development policy” lending. These reforms can influence way a country spends its money and its economic and social policies, affecting things like the cost of electricity and water, labor laws and business regulations.

World Bank Inspection Panel - The Inspection Panel is an independent complaints mechanism for people and communities who believe that they have been, or are likely to be, adversely affected by projects or programmes financed by the IBRD or IDA.

The Panel is an impartial fact-finding body, independent from bank staff, and it reports directly to the bank's board. The board appoints three people to a five-year, non-renewable term as panel members. It has a permanent Secretariat to provide operational and administrative support. For its fact-finding and investigations, the panel can hire independent, internationally-recognised experts to ensure objective and professional assessments of the issues under review. The Panel is authorized to accept requests for inspection.

A claim can be submitted at any point during the life of a project until it is closed or 95 percent of funds have been disbursed.

Where to send complaints

World Bank Inspection Panel
1818 H Street NW, Washington DC, 20433 USA and/or P.O. Box 27566 Washington, DC 20038
Email: ipanel@worldbank.org
Phone: +1 202 458 5200
Fax: +1 202 522 0916

The IFC is the private sector lending arm of the World Bank Group, providing financial services to businesses investing in the developing world. The IFC's stated mission is "to promote sustainable private sector investment in developing countries, helping to reduce poverty and improve people's lives.

The Compliance Advisory Ombudsman (CAO) allows communities affected by projects of the IFC and MIGA to submit complaints while serving as an arbitrator and advisor on issues relating to a project's social and environmental outcomes. As its name suggests, the three main functions of the CAO are Compliance, Advisor and Ombudsman.

The CAO Ombudsman works with stakeholders to resolve grievances using a problem-solving approach, working towards improving outcomes on the ground. CAO specialists are trained in alternative dispute resolution, with expertise in conflict assessment and management, mediation, and facilitation.

In case a complaint is eligible and parties voluntarily agree to undertake CAO-facilitated dispute resolution, the mutually-agreed process is collaborative and focused on problem solving. If no agreement is reached, or the CAO finds that the bank violated its standards, the complaint will proceed to the compliance stage. The focus of compliance is on the IFC and MIGA, not the client. If IFC or MIGA is found to be in compliance, the CAO will close the investigation. However if the IFC or MIGA is found non-compliant, then the CAO will keep the investigation open and monitor the situation until actions by the IFC or MIGA assures the CAO that it is addressing the issues at stake. The CAO will then close the compliance investigation. The status of all compliance cases are publicly available.

The CAO is located in Washington D.C. and has eight staff currently headed by Meg Taylor.

Where to send complaints

Office of the Compliance Advisor/Ombudsman (CAO)
2121 Pennsylvania Avenue, NW, Washington, DC 20433, USA
Tel: + 1 202 458 1973, Fax: + 1 202 522 7400, E-mail: cao-compliance@ifc.org



Protests against Narmada River dams led to the establishment of the first IFI accountability mechanism, the World Bank Inspection Panel. Image courtesy of International Rivers.



European Bank
for Reconstruction and Development

The EBRD was established to promote privatisation and market economies in eastern Europe and Central Asia. EBRD projects often fail to benefit the people in these countries and are instead carbon-intensive and environmentally-damaging. Since 2012 the EBRD began operations in a number of MENA countries.

Its Project Complaint Mechanism (PCM) can help individuals, groups and organisations in two ways: 1) with problem solving to resolve a dispute and 2) reviewing compliance of the EBRD with its environmental and social or information policy.

You can request both a problem-solving initiative and a compliance review, but keep in mind that a problem-solving initiative can be conducted at any stage of the project, while a compliance review only in case a project is approved. You should also submit complaints no later than 12 month after the last disbursement (information about the last date to submit a complaint is available in the Project Summary Document on the EBRD website: www.ebrd.com)

Where to send complaints

Project Compliant Mechanism Officer
European Bank for Reconstruction and Development
One exchange square, London EC2A 2JN, UK
Tel: + 44 207 338 2813
Fax: + 44 207 338 7633



Father and daughter resettled to make way for the Oyu Tolgoi gold and copper mine in Mongolia's Gobi Desert. Traditional herders here have filed a complaint with the EBRD's Project Complaint Mechanism.

The EIB is the house bank of the EU and the largest public financial institution in the world. The EIB operates in the developing world based on different EU mandates for the specific region. These mandates are given to the bank by the Council of the European Union to identify lending priorities and grant the EIB a guarantee, meaning protection against potential losses in riskier markets. The mandate is focused on the energy and transport sectors, as well as environmental infrastructure projects.

Complaints can be submitted in any of the official languages of the EU, and the EIB will consider complaints in non-EU languages from complainant outside the EU affected by EIB projects. Complainants need to identify themselves, clearly state the subject of the complaint and what they expect to achieve. The complainant should provide as much detailed and relevant information as possible about the complaint.

In the event of a refusal or failure by the EIB to reply to a request, an appeal can be made to the European Ombudsman, which examines possible maladministration of all EU institutions and bodies and reports to the European Parliament.

A complaint can be submitted at any stage; and it is preferable to explore all possible procedures at the EIB first.

Non-EU citizens also can submit complaints regarding EIB projects directly to the European Ombudsman, in accordance with the memorandum of understanding between the Ombudsman and the EIB.

Complaints must be lodged within one year from the date on which the facts upon which the allegation is grounded could be reasonably known by the complainant. In the case of complaints concerning access to information, a complaint must be made within 20 working days from the date of the correspondence which is the subject of the complaint

Where to send complaints

Appeals should be addressed to the Secretary General
100 boulevard Konrad Adenauer, L-2950 Luxembourg.
e-mail: complaints@eib.org
or through web
www.eib.org/infocentre/complaints-form.htm.

GETTING HELP WITH A COMPLAINT

There are a number of international organisations that can help with preparing complaints:

World Bank /IFC/MIGA

- Bank Information Centre, www.bicusa.org
- International Accountability Project, <http://accountabilityproject.org>
- Center for International Environmental law, www.ciel.org

EBRD and the EIB

- CEE Bankwatch Network, www.bankwatch.org
- Arab NGO Development Network, www.annd.org

When to use these tools

A community may seek solutions to problems by using the tools in this guide for harm that has already happened or harm that is feared in the future.

These tools may be used when a project is harming people directly or through impacts to the resources they depend on.

Allow your voice to be heard

- The mechanisms discussed in this guide are only some of the tools that can be used to assert your rights.
- While there are limitations to each, these mechanisms can provide a way for project-affected people to raise concerns about human rights and environmental violations.
- These mechanisms are still relatively new and are changing. Some are more independent and effective than others. At a minimum, they provide a forum to raise disputes when there is often no alternative.

The importance of follow-up

Once a complaint has been filed with one of the mechanisms in this guide, it is important to continue to provide the mechanism with updated information about your complaint. It is also important to monitor your complaint to ensure that the accountability mechanism is following its own procedural rules.

What to expect after submitting a complaint

- At a minimum, if you file a complaint, your voice will be heard at the international level.
- It is possible that the filing of a complaint may only result in the creation of a record of the harm.
- Sometimes, however, projects are changed or people are compensated as a result of filing a complaint.



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DON'T BANK ON COAL!



Activists at an installation outside the European Commission, asking the EIB to drop financing for the controversial Šoštanj coal plant in Slovenia.

