

KEY TRENDS IN CASES BROUGHT TO INDEPENDENT ACCOUNTABILITY MECHANISMS

INTRODUCTION

This note is intended to help interested parties better understand the nature of complaints and conflicts that have arisen around projects financed by international financial institutions. The data below are based on the experience of 262 cases in 72 countries processed by ten independent accountability mechanisms (IAMs) through May, 2012¹. Over this period, there were **185 requests for problem-solving** and **77 for compliance review**. Among these 262 cases, **112 involved both problem-solving and compliance review**, either because both were requested or because some IAMs' procedures call for compliance review to be pursued if problem-solving is unsuccessful. To learn more about these cases, please click [here](#).

By alerting parties to those characteristics that are commonly associated with these cases, it may be possible to avoid some conflicts altogether and address others constructively before they escalate.

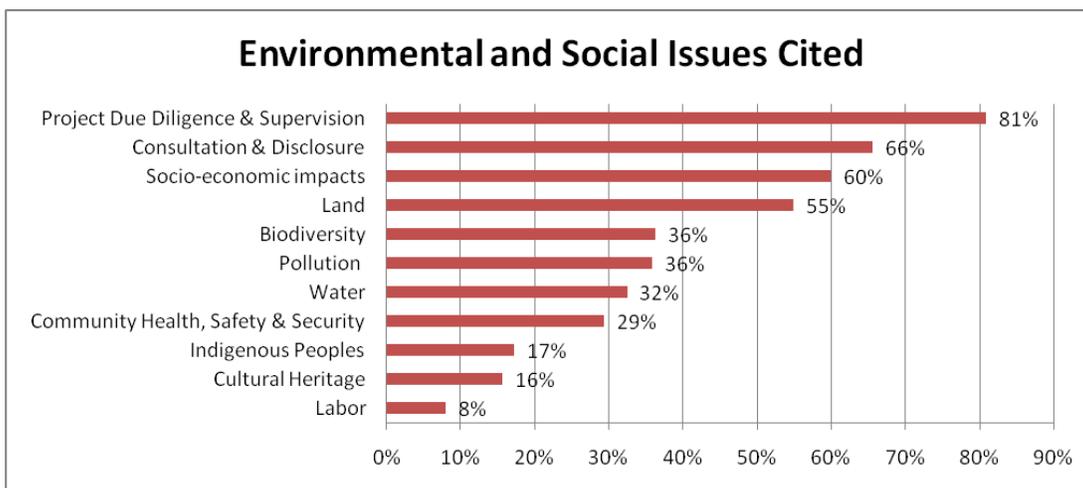
WHO FILES REQUESTS?

Depending on the IAM, requests may be filed by affected communities, project workers, NGOs on their behalf, or IFI clients. Over half of the requestors (**58%**) were represented **by local** (31%), **national** (15%), or **international** (12%) **NGOs**. Although no cases were recorded as being brought by project workers, a few cases do involve worker rights issues. No cases were brought by IFI clients. (OPIC's Office of Accountability is the only IAM that allows clients to file requests.)

WHAT ISSUES ARE COMMONLY CITED IN COMPLAINTS?

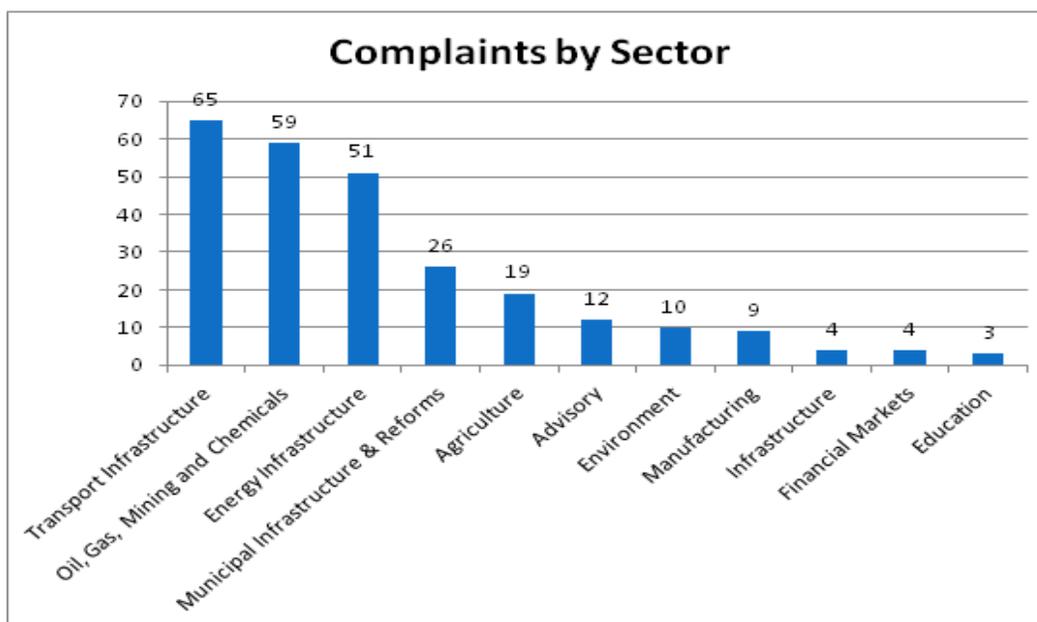
The majority of complainants (**81%**) cite concerns related to **project due diligence**—roles and responsibilities that are often shared by an IFI and the public or private sector entity implementing the project. Specific due diligence concerns include project siting and the assessment, mitigation, and management of environmental impacts. **Public consultation and information disclosure** ranked second. Consultation complaints question how communities are engaged in decision-making and how Free, Prior and Informed Consent or broad community support are determined. Disclosure concerns include how project impact might be prevented and / or mitigated, and whether such information is provided in a culturally appropriate language or format. 60% of requests raise **socioeconomic impact concerns**, related to issues such as loss of livelihood (27%), impacts to local assets and infrastructure (22%), and access to project benefits (17%).

¹ Case statistics in this note are based on IAM data collected by the Compliance Advisor Ombudsman (CAO).



WHAT SECTORS HAVE GIVEN RISE TO COMPLAINTS?

A wide variety of sectors is represented in complaints, but projects with **large physical footprints**, such as **infrastructure** (e.g., transportation and hydropower) and **extractive industries**, predominate.

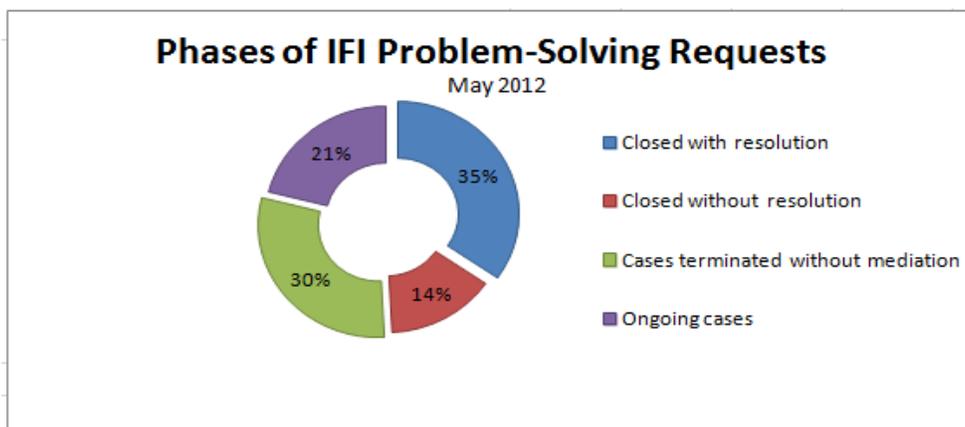


In recent years, OPIC has supported few extractive or infrastructure projects. In FY11, for example, by number of projects, financial services accounted for 34 % of all new OPIC commitments, followed by other services (20%), housing construction (15%), manufacturing (13%), and minerals & (primarily non-fossil) energy (13%).²

² 2011 OPIC Annual Policy Report: <http://www.opic.gov/sites/default/files/docs/051912-annualreport-FINAL.pdf>

HOW HAVE PROBLEM-SOLVING REQUESTS BEEN RESOLVED?

Among 185 cases in which problem-solving was requested, problem-solving processes were held between the parties in 130 of them. Of those for which problem-solving had ended when the data were collected, about **two-thirds were resolved with some level of agreement**. Besides lack of eligibility, problem solving processes might not be initiated if a party is **not willing to participate**, which occurred about **17 percent** of the time.



Complaints could be submitted directly by either a local community organization or through a representative from a national or international NGO. **58%** of the complaints brought directly by **local communities** and local civil society organizations were resolved through agreement, compared to only **31%** of those cases being resolved when the community was represented by **national or international NGOs**.

HOW HAVE COMPLIANCE REVIEW REQUESTS BEEN CONCLUDED?

Besides problem solving or mediation dialogues, most IAMs also provide compliance review services, which typically involve an investigation of how the IFI implemented relevant policies. Of the **189 compliance review cases**, about a **quarter** were closed with **full audits or investigation**; more were closed with only an initial appraisal.

