



# 2015

**PROJECTS COMPLAINT MECHANISM POLICY**





## **CARIBBEAN DEVELOPMENT BANK**

### **STRATEGIC FRAMEWORK FOR INTEGRITY, COMPLIANCE AND ACCOUNTABILITY**

#### **PILLAR III**

##### **PROJECTS COMPLAINTS MECHANISM POLICY**

*To provide for environmental and social safeguards accountability through an independent Projects Complaints Mechanism for complaints alleging environmental and social harm arising or likely to arise from projects financed by the Bank.*

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## **POLICY FOR A PROJECTS COMPLAINTS MECHANISM**

*A policy to provide for environmental and social safeguards accountability through an independent Projects Complaints Mechanism for complaints alleging environmental and social harm from projects financed by the Bank.*

### **1. INTRODUCTION**

1.01 The Caribbean Development Bank (the Bank) seeks always to minimise adverse environmental and social impacts arising from its projects and to adhere to the highest standards for environmental and social safeguards and accountability in the projects it finances.

1.02 The Bank has introduced a comprehensive Strategic Framework for Integrity, Compliance and Accountability (the Strategic Framework) and established the Office of Integrity, Compliance and Accountability (OICA) to operationalise and manage the Strategic Framework. This Policy for a projects-specific complaints mechanism (the Policy) is issued pursuant to the Strategic Framework.

### **2. KEY DEFINITIONS**

2.01 For the purposes of this Policy:

<b>Accountability</b>	means ‘operations-related’, and specifically, ‘project-related accountability,’ which is the extent to which the Bank should prevent, monitor and resolve, the adverse environmental and social impacts of its Projects. <sup>1</sup>
<b>Allegation</b>	means an unproved assertion against someone related to suspected wrongdoing.
<b>Complaint</b>	means a formal Allegation or expression of discontent, concern or suspicion submitted to OICA regarding social or environmental harm caused or likely to be caused by a Project.
<b>Complainant</b>	means the Person who has submitted a Complaint to OICA.
<b>Director</b>	means a member of the Bank’s Board of Directors. Every reference to a “Director” means the Director and his/her alternate and advisors.
<b>Environmental and Social Safeguards</b>	means protection afforded by the operational policies and procedures issued by the Bank to prevent, minimise or mitigate any adverse environmental or social impacts from projects financed by the Bank.
<b>Investigation</b>	means the process designed to gather and analyze information and to determine whether a Safeguards Violation has occurred and if so, the Person or Persons responsible. An Investigation is deemed to commence from the date of receipt of a Complaint by OICA and ends only when OICA has made a determination in writing that it has ended.

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<sup>1</sup> To meet similar obligations, international financial institutions (IFIs) can create independent accountability mechanisms, often called project complaint mechanisms to investigate, review and resolve complaints and assess compliance with safeguards against environmental and social impacts from projects they finance.

- Person** means any individual or entity and shall include a Director, a member of Staff, a body corporate, a trust and any other entity legally recognised as having the capacity to contract.
- Project** means any activity which the Bank has financed or committed to finance from its Ordinary Capital Resources or Special Funds Resources, or from trust or other funds administered by the Bank.
- Safeguards Violation** means the violation of Environmental and Social Safeguards.
- Staff** means the management, (including the President and Vice-Presidents), professional and support staff, temporary employees, other contracted employees, consultants, secondees, interns and personnel on exchange assignments without regard to their position, rank, title, duration of contract with, or length of service to, the Bank.

### 3. **PRINCIPLES**

3.01 The Strategic Framework is founded on the following four principles which also underpin this Policy:

- (a) integrity;
- (b) accountability;
- (c) excellence; and
- (d) transparency.

### 4. **PURPOSE**

4.01 This Policy provides for Accountability and sets the foundation for procedures for the Projects Complaints Mechanism (PCM) to be issued pursuant to this Policy. It provides an independent mechanism to ensure compliance with any Environmental and Social Safeguards policy issued from time to time by the Bank, including the Bank's Environmental and Social Procedures (ESRP). The environmental and social principles to be observed and impacts to be protected by this Policy are the specific environmental and social impacts as provided for in the ESRP, or any procedures issued pursuant to this Policy as the Bank may determine from time to time.<sup>2</sup>

### 5. **PCM**

5.01 The Bank shall establish the PCM within OICA as a single dedicated independent mechanism for the submission, handling and resolution of all Complaints. Specifically the PCM is authorised to:

- (a) manage the receipt, registration and handling of Complaints and requests related to Environmental and Social Safeguards. Complaints made by Persons pursuant to this Policy may be made as provided for in procedures issued pursuant to this Policy and including through the Bank's Whistleblower System;
- (b) conduct Investigations into any Complaint and where applicable to pursue early resolution of the subject matter of the Complaint (*Investigations*);

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<sup>2</sup> This Policy is also to be implemented and refined by taking into consideration international best practices of IFIs.

- (c) provide options to resolve Complaints (*Dispute Resolution*);
- (d) assess Complaints to determine whether and the extent to which any Safeguards Violation results from any failure to comply with the Bank's Environmental and Social Safeguards and the ESRP (*Compliance Review*);
- (e) provide advice to the Operations Area of the Bank on generic issues (not specific cases) related to problem prevention and its responses to Complainants in order to resolve environmental and social harm likely to be caused or caused by projects financed by the Bank (*Advisory*);
- (f) mitigate reputational damage and other harm arising from adverse environmental and social impacts arising from the Bank's Projects;
- (g) utilise lessons learned from its work to help the Bank improve the planning and administration of Projects, and for training and enhanced awareness about the PCM;
- (h) monitor the implementation of the remedial actions agreed upon with management;
- (i) engage consultants and experts for the conduct of its work;
- (j) create and maintain for its own purposes as part of its official records, a special confidential register of complaints; and
- (k) undertake such other related responsibilities as management may request or as the Board of Directors' committee with oversight for integrity, ethics, compliance and Accountability (Oversight Committee) may approve.

5.02 The PCM is not a sanctioning and enforcement mechanism. It does not provide compensation to Complainants. It does not confer any additional or implied rights to any resolution, remedy or enforcement not provided for in this Policy and any policies and procedures issued pursuant to the Strategic Framework.

## **6. OPERATIONAL INDEPENDENCE**

6.01 The PCM shall have operational independence derived from the independence of OICA. In this context, independence means that the work of the PCM will be functionally independent of the other units, divisions, departments and offices of the Bank.

6.02 The PCM, through the Head of OICA shall collaborate as necessary with the Bank's Vice-President (Corporate Services) and Bank Secretary and/or General Counsel to ensure appropriate steps are taken on matters related to the Bank's rights, obligations, privileges and immunities with respect to any Complaint received.

## **7. TRANSPARENCY, OBJECTIVITY AND ACCESSIBILITY**

7.01 The PCM shall be:

- (a) objective in decision-making;
- (b) transparent in operations and output; and

- (c) accessible to all Persons harmed or likely to suffer environmental or social harm caused by Projects financed by the Bank.

8. **THE INSTITUTIONAL FRAMEWORK FOR THE PCM**

8.01 The PCM shall operate solely through the institutional framework provided by OICA which is established and authorised, among other things to manage Accountability in the Bank including to advise on matters related to Accountability and to conduct Investigations, Dispute Resolutions, Compliance Reviews and other responsibilities assigned to it under its terms of reference.

9. **DUTY TO REPORT AND COOPERATE**

9.01 Each member of Staff has a duty promptly to report to OICA and in any event not later than three months after becoming aware of any suspected, actual or attempted Safeguards Violation. Each such member of Staff is also expected to cooperate with OICA, to provide information in support of his/her report and generally to assist OICA in its Investigation of the relevant suspected, actual or attempted Safeguards Violation.

10. **COLLABORATION AND OUTREACH**

10.01 OICA shall collaborate with other IFIs and development partners in outreach programs and for the development of international best practices on Accountability to enhance the effectiveness of the PCM, this Policy and any procedures issued pursuant to it.

11. **REVIEW**

11.01 The Oversight Committee may commission a review of this Policy and the PCM, within the first three years of its operationalisation and at least once every five years thereafter, as necessary, to help ensure its effectiveness.

12. **OVERSIGHT AND IMPLEMENTATION**

12.01 Pursuant to the Strategic Framework, OICA directly oversees this Policy.

12.02 Management of the Bank bears primary responsibility for working with OICA to ensure effective implementation of, and adherence to, this Policy.