

# IKI Brown Bag Lunch

The Independent Expert Panel of the  
IKI Independent Complaint Mechanism

IKI Office

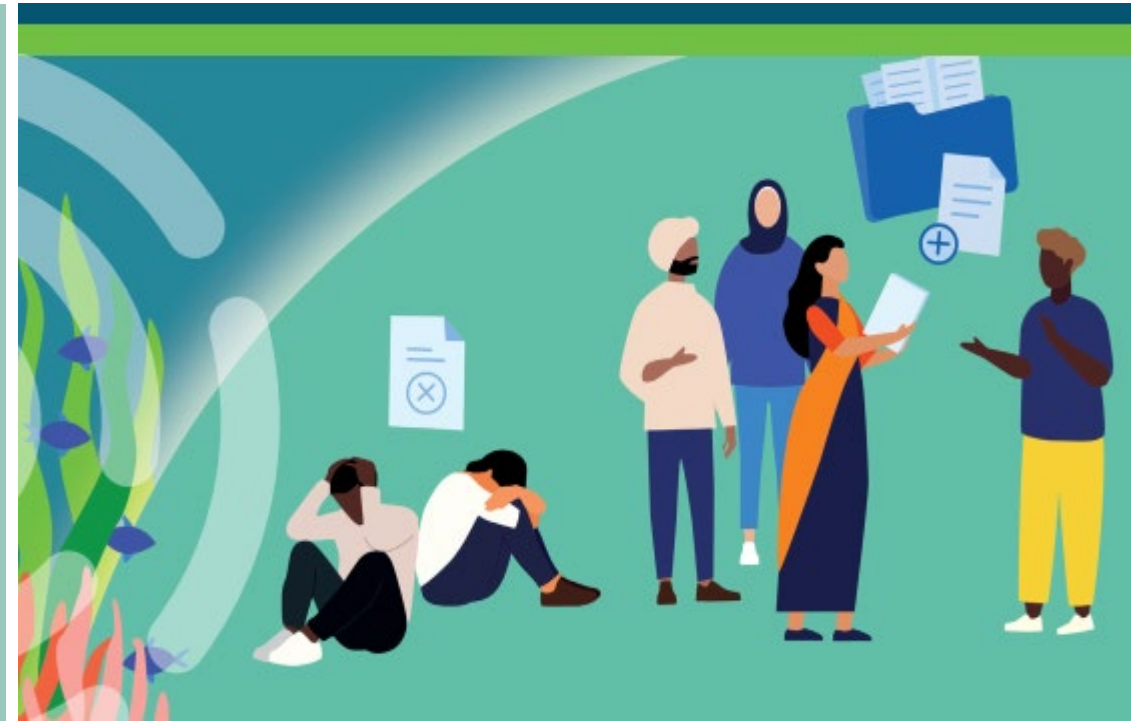
Online, 11.05.2023



# Welcome

IKI Brown Bag Lunch: The Independent Expert Panel of the IKI Independent Complaint Mechanism

- Netiquette:
  - Please switch all cameras and microphones off
  - Please log in with full name + name of organisation
  - Q & A icon for content-related questions
  - Chat icon for technical questions
- Seminar schedule



# Agenda

Overview IKI Independent Complaint Mechanism

Dispute Resolution

Compliance Review: environmental and social safeguards

Compliance Review: project-related integrity violations/misuse of funds

Q & A

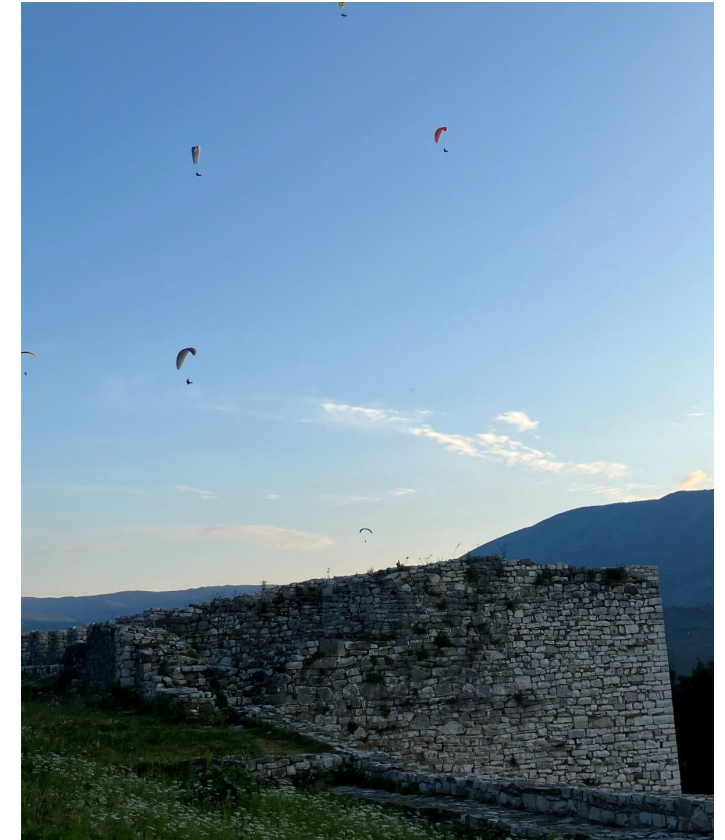




# Overview

# Where do complaint mechanisms come from?

- 1993 Establishment of the World Bank Inspection Panel,  
currently approx. 20-30 mechanisms
- 2007 Establishment of the Network of Independent Accountability Mechanisms (IAMnet)
- 2011 UN Guiding Principles on Business and Human Rights  
Principle 31:  
8 quality criteria for effective non-judicial grievance mechanisms



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# Could IKI projects cause any harm at all?

Examples are from IKI and other international development/ climate finance institutions



Projects support local institutions that employ ecoguards to protect nature conservation areas. Ecoguards mistreat the local population.

Forced evictions due to construction/ conservation efforts.

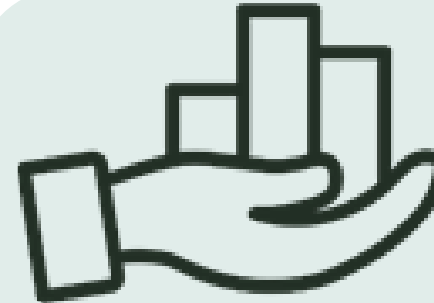
**Social harm**



Construction of public transport routes leads to destruction of natural habitats.

Use of forbidden pesticides in reforestation projects.

**Environmental harm**



Partners claim funds for participants who did not attend the workshop or for activities/purchases that did not take place.

**Misuse of funds**

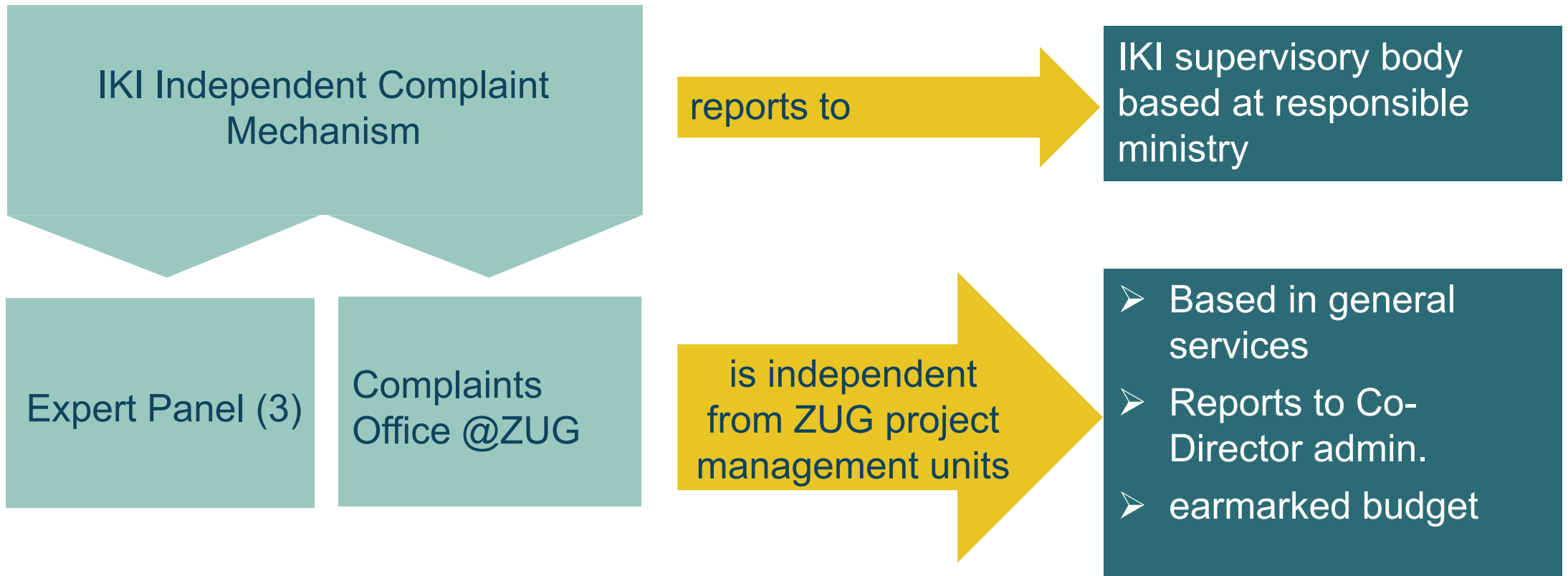


Partner threatens evaluator to withhold payment unless evaluation report is positive.

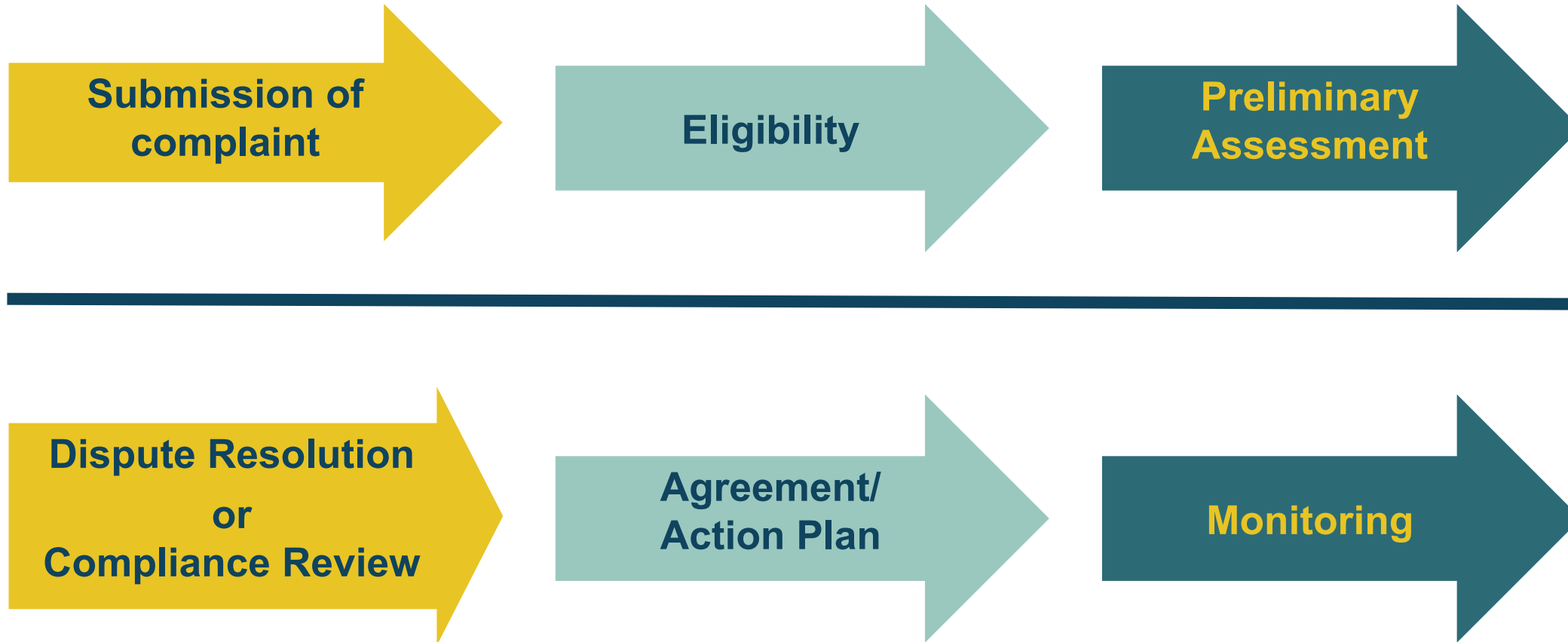
Partner threatens whistleblower.

**Reprisals/retaliation**

# IKI ICM – structure and governance



# Complaint procedure







# Dispute Resolution

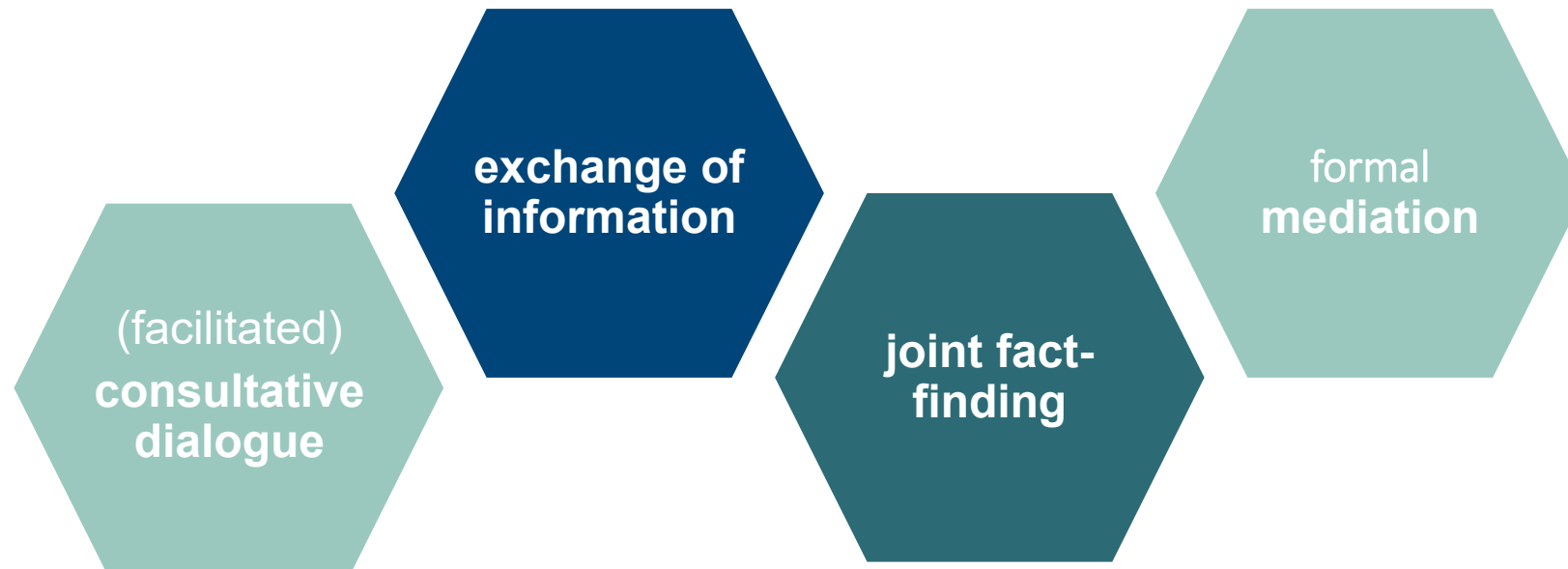
# Dispute Resolution – various terms, one core idea

(alternative) dispute resolution – problem-solving – mediation



**participatory way to resolve concerns raised by complainants**

# Dispute Resolution – different approaches



# Dispute Resolution – core principles



## Voluntary

Participation remains voluntary at all stages of the process.



## Participatory

The parties know the dispute best and what could be an appropriate solution.



## Forward-looking

The focus lies on finding solutions to the issues raised.



## Flexible

What matters is what works.

# Dispute resolution in practice

Community members in northern Malawi complained about the social impact of a water distribution project

**Main issues:** stakeholder engagement, compensation, and damage to properties.



© Philipp Koenig

# Dispute resolution in practice

## joint fact-finding

The house owner and the project implementer agreed to jointly appoint an independent expert to inspect the cracks.

## formal mediation

After three dialogue sessions, one community reached an agreement that includes:

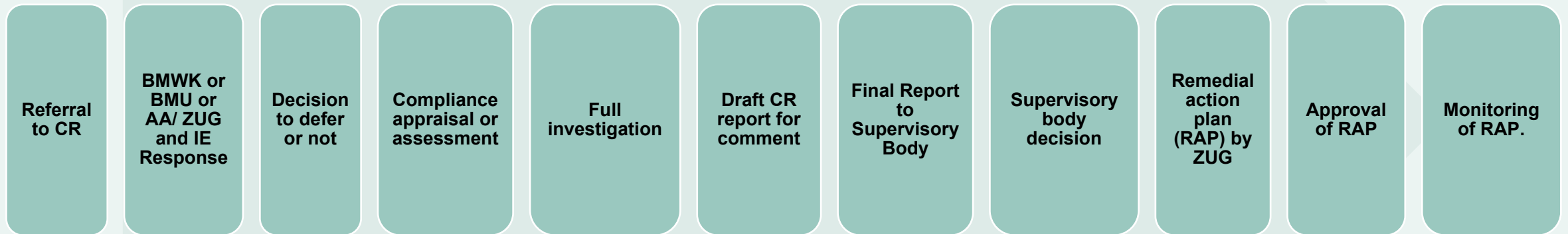
- installation of communal water points;
- payment of remaining compensation;
- rehabilitation of a hall to be used as a health center;
- maintenance of several roads;
- assessment of additional damage to houses and payment of compensation for these damages.



# Compliance review: environmental and social safeguards

# Compliance review environmental and social safeguards 1

Procedure/how does it work/etc





# Compliance review environmental and social safeguards - practice example

**Compliance is assessed against:**

IKI safeguards, economic crime or violations of budgetary or grant law



Performance standards 2-8 of IFC (same as GCF)

- Was there harm to complainants and project affected people through non-compliance?
- Compliance is a determination based on policy applications and factual findings.
- Practice example – GCF Nicaragua case.

# Compliance review environmental and social safeguards 3 challenges, benefits

## Benefits:

- Accountability through an independent impartial investigation of facts and compliance
- Ability of ZUG to remedy harm and fulfil its promise to do no harm and ensure projects are environmentally and socially sustainable.

## Challenges:

- ZUG management may feel under pressure through exposure of findings
- Important to see reports as opportunities for institutional learning
- Lessons learned should trigger preventive actions for the future



# Compliance review: project-related integrity violations/misuse of funds

# Compliance review: project-related integrity violations/misuse of funds 1

## Procedure/how does it work/etc

### 5 phases

1. Initial review
2. Investigation
3. Draft report
4. Stakeholder contribution
5. Final report

# Compliance review: project-related integrity violations/misuse of funds 2 practice examples

## **Global Fund**

Investigation into allegations of CSO misuse and misappropriation of funds in advocacy project (2022)

## **IKI-ICM**

1st complaint received (Q4 2022)

# Compliance review: project-related integrity violations/misuse of funds 3 challenges, benefits

## Benefits

- Improved accountability and transparency in the use of federal public funds
- Increased confidence in IKI-funded projects
- Opportunities for learning and improving project implementation

## Challenges

- Securing evidence and cooperation
- Managing retaliation risks
- Leveraging resources



# Q & A

## More info on the IKI independent complaint mechanism?

We regularly offer online seminars. More information at:

<https://www.international-climate-initiative.com/en/iki-media/events/online-seminar-on-the-iki-independent-complaints-mechanism/>

If you are in Berlin **Tuesday 20th June 2023** in the evening, you are cordially invited to a panel discussion with international experts. Invitations to come.



<https://www.international-climate-initiative.com/en/about-iki/values-responsibility/independent-complaint-mechanism/>



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