

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

**PROPOSAL FOR ENHANCEMENTS TO THE
INDEPENDENT INVESTIGATION MECHANISM:**

**DRAFT CONSULTATION AND
COMPLIANCE REVIEW POLICY**

**PUBLIC CONSULTATION
REQUEST FOR COMMENTS**

February 3, 2005

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**DRAFT
POLICY AND OPERATING GUIDELINES
FOR
THE CONSULTATION AND COMPLIANCE REVIEW MECHANISM
OF
THE INTER-AMERICAN DEVELOPMENT BANK**

I. GENERAL PROVISIONS

A. Introduction¹

1. During the negotiations for the Eighth General Increase in the Resources of the Bank, the Board of Governors of the Inter-American Development Bank expressed a desire to increase the transparency, accountability and effectiveness of the performance of the Bank by “the introduction of an inspection function, to be performed independently of Management.” In 1994, the Board of Executive Directors established an Independent Investigation Mechanism that created a process for the investigation of allegations by parties claiming to be adversely affected by Bank-Financed Operations in which the Bank had failed to comply with its own operational policies, or norms formally adopted for the execution of those policies. *See* <http://www.iadb.org/cont/poli/mecanism.pdf>.

2. On _____, 2005, the Board of Executive Directors of the Bank approved changes in the original Independent Investigation Mechanism designed to expand the scope of the Mechanism and to increase the overall responsiveness and efficiency of the process in order to promote better-designed and more effective Bank projects.

3. The key enhancements approved were: (i) the addition of a “Consultation Phase” to provide a forum for exploring flexible means to address more efficiently the concerns of local populations that claim to have been adversely affected by Bank-Financed Operations; (ii) institutional changes, including the creation of (a) a permanent office with full-time staff to support the activities of the Mechanism; (b) a public Registry to increase the transparency of the Mechanism process; and (c) a permanent three-person panel of investigators with a full-time Chairperson; (iii) the addition of specific timeframes and other provisions to improve the administration of the Mechanism; and (iv) a change in the name of the Mechanism from Independent Investigation Mechanism to the Consultation and Compliance Review Mechanism to better reflect the nature of the enhanced Mechanism.

4. This Policy and Operating Guidelines for the Consultation and Compliance Review Mechanism (the “Policy”) was approved by the Board of Executive Directors on _____, 2005, and is intended to govern the implementation of the enhanced Mechanism. The

¹ All headings used in this Policy are inserted for ease of reference only. They do not constitute an interpretation of the content of the Policy.

Policy is based on Document GN-1830-__ and also includes contributions from a public consultation process conducted in 2005 and other comments from non-Bank sources. This Policy amends and restates in its entirety the Bank's Independent Investigation Mechanism policy.

5. Definitions. Capitalized terms used here have the meanings assigned to those terms in section VII (Definitions).

B. General Purpose, Scope and Nature of the Mechanism Process

6. Purpose. The basic purpose of the Mechanism was established by the Board of Governors of the Bank and is "to increase the transparency, accountability and effectiveness of the Bank's performance in its operations." The Mechanism, as amended and enhanced, does this by establishing a forum and a procedure to address concerns raised by third parties who allege that a failure by the Bank to follow its Operational Policies in a Bank-Financed Operation has directly and materially adversely affected them or may reasonably be expected to so affect them, and by allowing an independent Panel to review whether or not the Bank complied with its Operational Policies in the design, analysis, and implementation of Bank-Financed Operations.

7. Scope. The Mechanism may be invoked in cases where a Requester alleges both that (i) the Bank has failed in the design, analysis or implementation of a Bank-Financed Operation to follow its own established Operational Policies, and (ii) the Requester has or may directly suffer material adverse effects as a result of such failure by the Bank. The Mechanism process applies to all Bank-Financed Operations.

8. Nature. The Mechanism process is not a legal proceeding but is an internal function of the Bank related to the accountability of the institution and the quality and effectiveness of its projects. The Mechanism is not intended, through its Consultation or its Compliance Review Phase or otherwise, to (a) waive any of the privileges and immunities which the Bank enjoys as a result of the provisions of the Agreement Establishing the Inter-American Development Bank, the laws of any country, or the Bank's status as an international organization, (b) establish any legal obligation by the Bank, its borrowers, executing agencies or private sector sponsors or project participants to compensate the Requesters or affected parties for any alleged effects of a Bank-Financed Operation, nor generate findings or documents to be used as evidence in legal proceedings in any country. By availing themselves of the Mechanism, the Requesters are deemed to have so acknowledged and agreed. Any actions resulting from the application of the Mechanism will be taken only by agreement of the parties or as determined by the Bank's Board of Executive Directors, and subject to any necessary legal documentation.

C. Overview of the Mechanism Process and its Functions

9. There are three separate and distinct steps that must be taken by a party that believes it has been or may be directly and materially adversely affected by a Bank-

Financed Operation in relation to the Mechanism process. One is prior to the formal initiation of the Mechanism process, and two occur as part of the process. These steps are:

- a. Preliminary Discussions with Management. The Requester must first bring the problem to the attention of the Bank's Management before requesting the activation of the Mechanism process. The party and the relevant Management group —generally the relevant Operations Department or the Private Sector Department — must then try to address the problem.
- b. Consultation Phase. If the party is not satisfied with Management's response to its concerns, it may then file a Request with the Office of the Consultation and Compliance Review Mechanism (the "Office"). The Requester must allege a violation of a Bank Operational Policy and seek the activation of a consultative process (the "Consultation Phase") pursuant to the Mechanism. The purpose of this phase is to provide a forum for a Requester, the Bank and other essential project-related parties to try to discuss the problem through a flexible process involving appropriate consensual methods of addressing problems. These methods may include, when all parties agree, one or more of the following: fact-finding; promotion and facilitation of further dialogue and negotiation among the parties to stimulate self-generated solutions; conciliation and mediation; and review, investigation and reporting by independent experts. The Office and the Executive Secretary, in determining the adequacy of an allegation, should review, among other factors, quantitative evidence of damage caused by the alleged failure to follow a Bank Operational Policy, with the objective of determining if there is a solid, factual basis for the allegation raised in the Request. In this phase, the Executive Secretary of the Office attempts to bring the Bank Management, the Requester and any other essential project-related parties together with the goal of reaching an agreement. If the Consultation Phase ends successfully, the Mechanism process may terminate.
- c. Compliance Review Phase. At the end of the Consultation Phase, the Requester may also request that a formal investigation be undertaken to determine whether the Bank has violated its own Operational Policies. The objectives of the Compliance Review Phase are to: (1) determine whether the Bank's actions or inactions violated its own Operational Policies in connection with a Bank-Financed Operation, and (2) if appropriate, provide the Board with a basis for deciding whether to take any preventive or corrective action. In this phase, a formal investigative process with the

investigation conducted by members of the three-person Panel may occur.

D. Institutional and Administrative Aspects

a. The Office of the Consultation and Compliance Review Mechanism

10. The Office. The Bank will establish and maintain a permanent office (the “Office of the Consultation and Compliance Review Mechanism” or the “Office”) to provide administration and support services for all phases of the operation of the Mechanism and to perform the functions set forth in this Policy.

11. Staffing of the Office. The Office will be headed by a senior level staff member who will (i) serve as Executive Secretary of the Mechanism, (ii) conduct and/or coordinate the Consultation Phase, and (iii) act as the Secretary of the Panel. The Office will also have permanent fulltime support staff that may include a Mechanism Project Officer (mid-level professional) and an office assistant.

12. Process and Criteria for Selecting the Executive Secretary. The Executive Secretary will be appointed by the President. Selection criteria for the position of Executive Secretary shall include: proven administrative skills; knowledge of the Bank or a similar institution involved in development lending; knowledge of the region; and ability to manage a consultation process. Experience with environmental and social issues is desirable.

13. Reporting Responsibilities. The Executive Secretary and the staff of the Office are considered staff of the Bank and subject to all Bank policies and codes of conduct. However, they will be independent of the operational departments of the Bank and have unique reporting relationships that set them apart from other Bank staff. In carrying out its functions relating to the Consultation Phase, the Office will report to the President or to the Executive Vice President. In carrying out its Compliance Review Phase functions, the Office will report to the Board of Executive Directors independently of Management, through an appropriate Board Committee.

14. Functions. The functions of the Office and the Executive Secretary will include:

- a. Creating and maintaining a public Registry for recording all Requests received and for tracking the procedural status of the Bank’s action with respect to each Request;
- b. Receiving and processing Requests for application of the Mechanism, including verification that all required documentation has been received and that the Requests meet the requirements for application of the Mechanism;

- c. Facilitating, conducting and/or coordinating the Consultation Phase, including contracting outside conciliators or mediators and independent technical experts, as appropriate;
- d. Preparing a report on the results of the Consultation Phase for the President and the Board, including a review of the quantitative evidence related to the harm alleged in the Request;
- e. Undertaking all general administrative tasks necessary to support the Mechanism and all secretariat functions for the Consultation Phase and the Panel, including budget administration, travel arrangements, arranging for translation services, etc., as well as support for production and publication of Panel reports;
- f. Preparing (i) an annual report concerning the operations of the Mechanism which shall include a discussion of the lessons learned from the cases considered during the year, and (ii) any other reports required by the Board;
- g. Preparing procedures for access to the Mechanism that may be needed to implement this Policy;
- h. Coordinating with the Legal Department as to legal advice and assistance required for operation of the Mechanism;
- i. Maintaining files and records related to the Mechanism;
- j. Contacting peer institutions concerning potential harmonization of inspection mechanisms and sharing of common experiences;
- k. Maintaining contacts with the public concerning the Mechanism, including correspondence with groups of individuals that claim to be affected by Bank projects, preparation of public notices and developing and supplying publications, reports and information related to the Mechanism; and
- l. Compiling, in consultation with the Chairperson of the Panel, a record of lessons learned in the Mechanism process.

b. The Panel.

15. Establishment of the Panel. The Bank will establish an independent Panel whose main function is to carry out Compliance Review Phase investigations that have been authorized by the Board of Executive Directors pursuant to the Mechanism process. The Panel will have the powers and functions set forth in this Policy. The Panel will report to the Board.

16. Composition and Selection. The Panel will be a permanent body composed of three persons from different member countries of the Bank. After consultation with the Board, including approval by the Board of terms of reference for the Panel members, the President of the Bank will nominate individuals to the Panel to be confirmed by the Board.
17. Selection Criteria. The members of the Panel will be selected on the basis of terms of reference to the approved by the Board of Executive Directors, which shall include, in part, as selection criteria their integrity, independence from the Bank's Management, and ability to deal thoroughly, fairly and impartially with the requests brought to them. In addition, they should have recognized competence in areas related to socio-economic development and be familiar with Latin America and the Caribbean and with living conditions in developing countries. Knowledge and experience of the operations of the Bank or other comparable institutions and/or private sector experience, as well as experience with environmental and social issues, also would be desirable.
18. Ineligible Candidates. Former employees of the Bank may not be appointed to the Panel until at least two years have elapsed from the last date of such employment. For purposes of this provision, the term "employees of the Bank" will mean any individual employed directly by the Bank in any capacity whether as a consultant or staff member, full or part time, on a limited term or permanent basis, and any Executive Director, Alternate Executive Director, Counselor or member of their staff.
19. Term of Appointment. The first members of the Panel shall be appointed as follows: one for three years, one for four years and one for three years with a possible extension of two additional years, as further described in paragraph 29. Each vacancy thereafter shall be filled for a period of five years, provided that no member may serve for more than one full term.
20. Nature of Service. The Chairperson of the Panel shall work on a full-time basis at Bank headquarters in Washington. The two other members of the Panel shall be on call and expected to work on a full-time basis only when their workload justifies such arrangement, as decided by the Bank's Board of Executive Directors on the recommendation of the Chairperson of the Panel. Contracting for services of Panel members will follow Bank rules for contracting consultants, except as expressly otherwise determined by the Board of Executive Directors or as required by the Mechanism.
21. Remuneration. Panel members shall receive remuneration at a level to be determined by the Board of Executive Directors upon a recommendation of the President.
22. Disqualification. A Panel member shall be disqualified from participation in the investigation of any Request related to a matter in which he/she has a real or apparent conflict of interest or had significant involvement in any capacity.

23. Removal or Resignation from Office; failure to extend initial Chairperson's term. Members of the Panel may be removed for cause by the Board before the end of the term of their appointment or may resign by written notice to the Board. In the event a member is removed or resigns from the Panel, a replacement may be appointed by the Board to complete that term or appointment. Members so appointed may be extended for a single time for a second, full term. In addition, these provisions shall also apply in the event that the Board fails to approve the two-year extension of the initial Chairperson's term described in paragraph 29.

24. Privileges and Immunities. In the performance of their functions, Panel members shall be considered officials of the Bank entitled to enjoy the privileges and immunities accorded to Bank officials under the Agreement Establishing the Inter-American Development Bank.

25. Employment by the Bank. Members of the Panel may not be employed by the Bank in any capacity (other than as Executive Director or Alternate Executive Director) following the end of their service to the Panel.

26. Authority to Consult Experts. The Panel will have the authority to hire independent experts and/or other consultants when needed to supplement its expertise and/or resources. A Panel or any member may seek the advice of the Bank's Legal Department with respect to questions that may arise concerning the Mechanism or any matter under consideration.

27. Authority to Adopt its Own Rules, Regulations and Procedures. The Panel will have the authority to establish rules, regulations and procedures for the administration of Panel activities and for the conduct of investigations. In case of any conflict between rules, regulations or procedures established by the Panel and those established by the Board, those established by the Board will prevail.

c. The Chairperson of the Panel.

28. Creation of the Chairperson Position. The Bank will establish a position entitled "Chairperson of the Panel" with the powers and responsibilities set forth in this Policy.

29. Selection of the Chairperson. The Panel member initially appointed for three years with a possible two-year extension will be the first Chairperson of the Panel and will serve as Chairperson for the duration of his or her appointment. The extension option of two additional years will be at the discretion of the Board. Thereafter, the members of the Panel will serve as Chairperson on a rotating basis for a period of two years, with the order of rotation determined on the basis of seniority. When not serving as Chairperson, Panel members must be available to participate in investigations or perform other functions related to the Compliance Review Phase of the Mechanism.

E. The Public Registry

30. The Bank will establish a public Registry to provide information on the filing, acceptance or rejection, and on-going status of processing of requests under the

Mechanism. The information provided will include: the fact that a Request has been filed; whether it has been accepted or rejected or whether additional information has been requested; a record of each significant procedural action taken by the Executive Secretary, the Office of Consultation and Compliance Review Mechanism, Management, the Panel Chairperson, the Panel and the Board at each stage of the process; and notice that the process has been completed. The Registry will be accessible to the general public via the Bank's website.

F. Areas Specifically Excluded from Coverage under the Mechanism

31. Although the scope of the Mechanism is broad, there are a number of areas where it is not applicable. Specifically, neither the Consultation nor the Compliance Review Phase will be applied to:

- a. actions that are the responsibility of parties other than the Bank, such as a borrower/recipient, technical cooperation beneficiary, or executing agency or that do not involve any action or omission on the part of the Bank;
- b. Requests related to the laws, policies or regulations of the borrower or the executing agency;
- c. actions or activities that do not relate to a Bank-Financed Operation or that are not subject to the Bank's Operational Policies;
- d. any review of the adequacy, suitability or effectiveness of any of the Bank's policies;
- e. procurement decisions, including the selection of consultants and the awarding of contracts for the procurement of goods or the execution of works;
- f. a particular matter or matters that have already been reviewed pursuant to the Mechanism, unless there is significant and substantial new information not available at the time of the initial review and which should not, in the opinion and at the discretion of the Executive Director, more properly be treated as supplementing an already existing Request;
- g. Requests dealing with a Bank-Financed Operation that are filed after the relevant Bank-Financed Operation has been fully disbursed. (For the purpose of the Mechanism, a Bank-Financed Operation will be considered "fully disbursed" when ninety-five percent of the proceeds have been disbursed, when the borrower notifies the Bank that no further disbursements will be sought, or

when no further disbursements are allowed under the financing documentation);

- h. ethics or fraud questions, specific actions of Bank employees, non-operational matters such as internal finance or administration, allegations of corrupt practices, or matters subject to review by other bodies established by the Bank such as its Administrative Tribunal, the Office of Institutional Integrity, the Oversight Committee on Fraud and Corruption or the Procurement Committee;
- i. any Request that (i) is without substance, (ii) is frivolous, malicious or trivial, (iii) has been submitted to gain a competitive business advantage, or (iv) is not supported by adequate information and documentation;
- j. Requests that raise issues pending in litigation involving the Bank or known to involve other project participants;
- k. Requests related to Bank operations that have not yet been approved by the appropriate level of authority within the Bank; and
- l. Requests for activation of the Compliance Review Phase that have not first been considered in the Consultation Phase.

G. Time Periods for Bank Action

32. This Policy establishes specific time periods within which the Bank and the other parties responsible for performing functions under the Mechanism must endeavor to act in order to increase responsiveness, transparency and efficiency. However, it is recognized that the ability to meet the deadlines established may be prevented by the failure of another party to act or other events beyond the Bank's control. In cases where deadlines are not met, the Requester will be informed of the reasons therefor and a new deadline will be established in light of the circumstances. In addition, it is recognized that, if documents require translation, the deadlines will need to be extended by starting the running of the time periods from the date of completion of the translation.

H. Additional Rules and Regulations

33. Policy and Operating Guidelines. The effectiveness and continued appropriateness of this Policy will be reviewed on an annual basis by the Office of the Consultation and Compliance Review Mechanism and by the Chairperson of the Panel, and their suggestions for improvements in the Policy will be submitted to the Board for approval as necessary.

34. Other Guidelines and Procedures. Additional guidelines and procedures may be adopted by the Panel to deal with administrative and procedural matters relating to carrying out the Panel's functions and conducting investigations. The Executive Secretary may also adopt regulations and procedures relating to the administration of the Office and for conducting the Consultation Phase.

35. Rules and Regulations Adopted by the Board. The Board may also adopt rules, regulations and guidelines for the operation of the Mechanism. In case of conflict between similar rules, regulations and guidelines adopted by the Panel or by the Executive Secretary, those adopted by the Board shall prevail.

II. CONSULTATION PHASE

A. Purpose and Scope of Consultation Phase

36. The purpose of the Consultation Phase is to provide a forum for a party that believes that it has been or could reasonably be expected to be directly, materially adversely affected by a failure of the Bank to follow its Operational Policies in Bank-Financed Operation to have its concerns addressed through a flexible process that is dependent on the consent and cooperation of all of the parties involved. There is no guarantee that the Mechanism will resolve all complaints to the satisfaction of Requesting Parties.

B. Prerequisite for Use of the Mechanism: Approach to Management for Assistance

37. Before it files a Request under the Mechanism, a party that believes it is or could reasonably be directly and materially adversely affected by a failure of the Bank to follow its own Operational Policies in a Bank-Financed Operation must first try to resolve its concerns through direct contact with the Management of the Bank. To do this, a party that alleges that it is or may be directly and materially adversely affected by a Bank-Financed Operation must bring its concerns and problems to the attention of Management and request that Management assist in their resolution without activating the Mechanism process. A formal request does not have to be filed, and there are no prerequisites or requirements for requesting discussions with the Management of the Bank. However, the request to meet with a representative of the Bank should be made in writing to the Country Office or relevant Bank department and should state the nature of the problem alleged to be caused by the Bank-Financed Operation.

C. Start of the Process: Preparation and Filing of the Request

38. Having satisfied the requirements of the immediately preceding paragraph, the Mechanism process may be initiated by any party that alleges that the Bank has violated its Operational Policies and that as a result its rights or interests have been or could reasonably be expected to have been directly and materially adversely affected by a Bank-Financed Operation. The first step is the preparation and filing of a Request for

Consultation with the Bank. This section outlines the procedure and prerequisites for filing a Request for Consultation and the contents and form of the actual Request.

39. Who can file a Request for Consultation? The Request can be filed by (i) a Requester, or (ii) a representative of a Requester. The eligibility requirements for each of these potential filers are as follows:

- a. Requester. A “Requester” may be any group of two or more individuals, not members of the same household, residing in the national territory of the relevant borrower, recipient or technical cooperation beneficiary. The Requester must allege that its rights or interests have been or could reasonably be expected to be directly and materially adversely affected by an action or omission of the Bank as a result of a failure of the Bank to follow its own Operational Policies in connection with a Bank-Financed Operation. The Requester may be an organization, association, society or other grouping of individuals and must have taken steps to bring the subject matter of the Request to the attention of the Management of the Bank prior to the filing of the Request.
- b. Representative of a Requester. A Requester that meets all of the requirements in item (a) above, may appoint a representative to make the filing on its behalf. The representative may be a local representative or, in exceptional cases when no appropriate local representative is available and when the Executive Secretary so agrees, a non-local representative (e.g. a national or international non-governmental organization (“NGO”)). If the filing party is a local representative, it must be appointed to be an authorized agent of the Requester and provide written evidence of such appointment. If the Requesting Party is not a local representative, it must also be appointed to be an authorized agent and provide written evidence of its appointment. In addition, it must explain why no appropriate local representative is available, and the Executive Secretary must agree with this explanation at the time it considers the Request for Consultation. The Executive Secretary will make reasonable efforts to identify a local representative and endeavor to communicate primarily with the local representative or Requesters, as appropriate.

40. What subjects can be covered by the Request and what subjects are excluded from the operation of the Mechanism? A Request may relate to any Bank action or omission as a result of a failure of the Bank to follow its own Operational Policies in connection with a Bank-Financed Operation, which is alleged to have directly caused or is reasonably likely to directly cause material and adverse harm to the rights or interests of a Requester. Indirect impacts of actions or omissions of the Bank may be considered only to the extent (i) required by the Operational Policy alleged to have been violated and (ii) directly

attributable to the relevant Bank-Financed Operation. There are, however, some matters that are not covered by the Mechanism and Requests should not be filed if they relate to excluded areas. The excluded matters are listed in paragraph 31 of this Policy.

41. What substantive information should the Request contain? The substantive information to be included in the Request for Consultation is as follows:

- a. a statement of all relevant facts, including a description of the Bank-Financed Operation and the nature of the harm alleged to be suffered (or likely to be suffered) by the Requester;
- b. an identification of the rights or interests of the Requester alleged to be directly and materially adversely affected;
- c. an allegation that the cause of such direct and material adverse effect or harm is an action or omission of the Bank as a result of a failure of the Bank to follow its own Operational Policies in the course of designing, analyzing or implementing the Bank-Financed Operation;
- d. reasonable evidence supporting an allegation that the Requester is, or is reasonably likely to be, directly and materially adversely affected by the Bank-Financed Operation;
- e. if known, an identification of the specific Operational Policy that the Bank is alleged to have violated and a specification of the act or omission of the Bank (not the executing agency, the government, the borrower or any third party) that constituted a violation of such Operational Policy;
- f. a description of the steps taken to try to resolve the matter directly with the Bank's Management, including (i) the efforts that the Requester already made to bring the allegations to the attention of the Management of the Bank; (ii) the Management's response to these allegations; and (iii) the reasons why such response was not satisfactory to the Requester;
- g. a statement of the outcome that the Requester would like to see as a result of the Consultation Phase. No guarantee of the outcome may be assumed from this requirement; and
- h. an acknowledgement that: (i) the Mechanism does not waive any of the privileges and immunities which the Bank enjoys as a result of the provisions of the Agreement Establishing the Inter-American Development Bank, the laws of any country, or the Bank's status as an international organization; (ii) the Mechanism is not a legal proceeding, but rather an internal fact finding process

by the Bank to review whether or not the Bank's policies have been followed; and (iii) the Mechanism does not establish legal obligations (including, but not limited to, claims for compensation or damages), nor can any of its findings or documents be used as evidence in legal proceedings in any country.

42. In addition, the “Requester” should attach the following documents (if available) to the Request:

- a. any correspondence with Bank staff regarding the subject of the Request;
- b. any notes of meetings with Bank staff regarding the subject of the Request;
- c. if relevant, a map or diagram showing the location of the Requester and/or the area affected by the Bank-Financed Operation; and
- d. any other evidence or documentation in the possession of the Requesting Party or its representative supporting the validity of allegations in the Request.

43. If any of the required information cannot be provided with the Request, the Request should indicate where and how that information can be obtained or provide an explanation as to why it was omitted or cannot be provided.

44. If the Requester receives new evidence or information after the Request has been submitted, it may submit a revised Request. However, such submission will be considered a new Request and start the Mechanism process again from the time the revised Request is received.

45. What is the required format for the Request? There is no required format for the Request. For example, a letter containing the requisite information is acceptable. Model Request Forms providing a checklist of the information required are contained in Annex A of this Policy and may also be used as a basis for filing the Request.

46. The Request must be in writing, dated and signed by the party submitting it. A contact address must also be provided and, if available, a phone number, facsimile number and email address. Anonymous Requests will not be accepted, but the Bank will protect the confidentiality of a filing party if so requested in the Request by not posting the name of the Requester in the Registry and by redacting, from all copies of the Request, material that would identify the Requester.

47. The Request may be submitted in any of the official languages of the Bank, which are Spanish, English, Portuguese and French. A Requester may also submit a Request in its local language if it is unable to obtain a translation, but the Requester should be aware

that the Bank will need to have the Request translated and that this may delay the processing of the Request.

48. Where should the Request be sent or delivered? Email or facsimile filings of a Request will not initiate the Mechanism process. This can be done only by filing an original copy of the completed Request. The original copy along with all supporting documentation and evidence should be addressed to the Executive Secretary as follows:

Executive Secretary
Office of the Consultation and Compliance Review Mechanism
Inter-American Development Bank
1300 New York Avenue NW
Washington, D.C. 20577

49. The original copy may be sent by registered or certified mail to the Executive Secretary in Washington, D.C. or to the Bank's Representative in the Bank's Country Office in the country where the Bank-Financed Operation is being or will be executed. Alternatively, the Request may be delivered by hand in a sealed envelope or package to the Executive Secretary in Washington, D.C. or to the Bank's Representative in the country where the Operation is being or will be executed. When the Request is hand delivered, a written receipt will be provided. Requests mailed or delivered to a Representative must be forwarded promptly by such Representative to the Executive Secretary in Washington, D. C.

50. Any technical questions relating to the Mechanism or any questions relating to the filing of a Request should be directed to the Executive Secretary at the above address or at email: ____; telephone: 202-623-____; or fax: 202-____. However, any questions related to Bank-Financed Operations themselves, including any allegations and complaints preliminary to an eventual formal Request should be directed to the relevant Bank Operations Department or the Private Sector Department, the relevant Bank Country Office or the Office of External Relations at email: *pic@iadb.org*; telephone: 202-623-2096; or fax: 202-623-1403.

51. What is the significance of the filing of a Request? The filing of the Request starts the initial phase of the Mechanism process which is an evaluation to ensure that the Request meets all of the requirements of this Policy and whether it should be accepted or rejected. It does not stop the implementation of the Bank-Financed Operation or disbursements by the Bank. Both continue during the entire Mechanism process, other than in an exceptional case where the Bank decides upon suspension of disbursement and/or implementation in accordance with standard Bank procedures and subject to the relevant legal documentation.

D. Initial Processing and Review of the Request on Receipt by the Bank

52. Acknowledgment of the Receipt of the Request and Registration. Immediately upon receipt, an acknowledgement of receipt of the Request will be sent to the Requester

by the Office, and the fact that the Request has been received will be recorded in the public Registry. The relevant government (through the appropriate Executive Director of the Bank), project execution agency and/or borrower also will be notified of the filing. The initial registration is a purely administrative matter and does not imply acceptance of the Request or initiation of the Mechanism process.

53. Review of the Request to determine whether it should be Accepted or Rejected or whether Additional Information should be sought. The Executive Secretary will review the Request to determine whether the prerequisites for the filing and content of the Request set forth in this Policy have been met. This includes a review of the subject matter of the Request and the contents of the Request.

54. The nature and extent of the review will be determined by the Executive Secretary based on the issues raised by the Request. It may involve a desk review, a site visit and discussions with the Requester, Management, or other relevant parties. The Executive Secretary will verify that the Request is presented on behalf of an eligible Requester, that a valid attempt was made to bring the matter to the attention of Management before submitting a Request to the Bank, that the Request does not deal with one of the excluded areas set forth in paragraph 31 above, that there appears to be reasonable evidence supporting the allegations, including quantitative evidence of damage caused by the alleged failure to follow Bank Operational Policy, and that it raises issues suitable for consultation. The Executive Secretary makes the final decision whether to accept or reject the Request or whether to seek additional information.

55. Timeframe. Within 15 days, the Requester must be notified by the Executive Secretary that the Request has been accepted or rejected or that additional information is required. If the Request is rejected, the Requester is provided with the reasons for rejection. If additional information is requested, the Requester must be notified of the acceptance or rejection of the Request within five days of receipt of all of the requested information.

E. Assessment of the Request and Recommendation on How to Conduct the Consultation Process

56. Management Comment. If the Request is accepted, it will immediately be referred to the relevant Operations Department or the Private Sector Department (“PRI”) with a request for comments, information and a suggested course of action. The operations department concerned or PRI, as applicable, will have 20 days to respond to the Executive Secretary.

57. Assessment by Executive Secretary. Based on information provided with the Request and the Management response, the Executive Secretary will assess the facts alleged in order to determine the issues to be resolved, identify the essential parties to be involved in the consultation so as to ensure a fair and comprehensive treatment of the issues involved (which may include discussions with the relevant government and any significant project sponsors, and potentially parties that may be similarly situated to the

Requester), and how best to address such issues. In making this assessment the Executive Secretary may, without limitation, consult with the Requester and Management, make a site visit if necessary to obtain information on how to proceed and/or retain consultants or experts to assist.

58. Recommendation of Executive Secretary. After assessing the Request, the Executive Secretary will recommend a process to address the problems raised by the Request. The options may include one or more of the following: fact-finding, promoting further discussion and negotiation among the parties to stimulate self-generated solutions; and more active, consensual, problem-solving approaches such as facilitation, conciliation or mediation or review, investigation and reporting by experts.

59. One of the options available to the Executive Secretary is to terminate the process at this stage if it is clear, after consultation with all essential parties, that the Consultation Phase is unlikely to produce any positive results. In such a case, the Requester may immediately file a Request for activation of the Compliance Review Phase of the Mechanism.

60. Timeframe. The entire process of assessing the Request and making a recommendation on how to proceed should be completed by the Executive Secretary no later than 60 days after the acceptance of the Request.

F. Decision by All Essential Parties to Proceed with Consultation in accordance with the Executive Secretary's Recommendation

61. Consent to Recommendation. The Executive Secretary makes a recommendation that is sent to all essential parties for comment and suggestions on possible alternative courses of action. The comments received may indicate a need to revise the recommended course of action, the issues to be addressed or method of consultation and/or the essential parties to be included. If so, the Executive Secretary will work with all parties (Requester, Bank Management, borrower, executing agency, any private sector sponsor or other essential party) to revise the recommended course of action. All essential parties must consent to their participation in the consultation by approving the recommended course of action, including reaching agreement on the approach and method of consultation, funding arrangements, timing and binding nature of the outcome, as applicable.

62. Timeframe. The consent of all parties to the Executive Secretary's recommendation generally shall be obtained within 20 days of the date of the recommendation.

63. Failure to Obtain Consent. If the Requester or another party essential to the process refuses to participate or consent to the recommended course of action, the Consultation Phase is terminated; and the Requester may file a Request for activation of the Compliance Review Phase of the Mechanism.

64. Impact of Decision to Initiate Consultation. The fact that a Consultation Phase is initiated does not halt the processing or implementation of the Bank-Financed Operation or disbursement by the Bank.

G. Conducting the Agreed Consultative Process

65. The Executive Secretary then implements the agreed approach in coordination with all essential parties to the process. Because the Consultation Phase of the Mechanism process is intended to be flexible and tailored to the needs of each operation, there are no standard rules, timeframes or procedures for this phase. The procedure is established on a case-by-case basis by the Executive Secretary in consultation with the essential parties. The Executive Secretary and the Office of Consultation and Compliance Review Mechanism may conduct the process directly or hire outside experts to conduct or assist in the process. Although there are no standard timeframes, the Consultation Phase generally should be completed within 60 days, unless the parties otherwise agree.

66. Country Approval for Site Visit. Any part of the consultation process to be conducted in the territory of a borrower/recipient country may be conducted only after obtaining the country's prior written consent, which must be confirmed at least two weeks in advance of the visit through the office of the relevant Executive Director.

67. Without the participation of all essential parties, the consultation would not take place and the Requester may file a Compliance Review Phase Request. The Executive Secretary's role and the Consultation Phase are limited to Bank-related issues on Bank Operations. Neither the Executive Secretary nor the Office of the Consultation and Compliance Review Mechanism may interfere in the internal matters of any Bank member country or mediate between the Requesting Party and local authorities. Neither the Executive Secretary (nor any expert participating in the Consultation Phase) may interfere with the execution of a Bank-Financed Operation.

H. Report on the Results of the Consultative Process: Settlement Agreement or Agreed Recommendation

68. The Report. The Executive Secretary (with the assistance of any outside facilitator, conciliator, mediator or expert) prepares a report on the results of the process, including a summary of the quantitative evidence gathered during the Consultation Phase, any agreement or recommendation of the parties on ways to address the issues raised in the Request. The Executive Secretary will ensure that, to the fullest extent practicable, any such agreement or recommendation contains provisions for implementation and monitoring, including timelines and/or performance indicators. The report will be submitted to the President, with an information copy to the Board, along with any settlement agreement or agreed recommendation.

69. Requisite Authority. Each party to the Consultation Phase is responsible for obtaining any requisite authority to enter into any such agreement or to endorse the recommendation. The nature of the authority required will differ from case to case and

depend on the actions proposed to resolve the issues. In the case of the Bank, authorization would be obtained in accordance with the normal approval procedures for the action required and subject to legal documentation; and it is anticipated that in most cases, the Management of the Bank will already have the necessary authority to agree to the proposed solution. However, in some cases requiring significant changes in the relevant Bank-Financed Operation, Board approval may be necessary.

I. Termination of the Consultation Phase

70. Reasons for Termination. If the process results in an agreement or recommendation by all of the essential parties, the Consultation Phase would terminate. However, the process may be terminated earlier if the Requester or any other essential party decides at any stage of the Consultation Phase that it no longer wishes to participate in the process. In such case, the Consultation Phase is terminated.

71. Effect of Termination. Upon termination for any reason, the Requester may file a Request to activate the Compliance Review Phase of the Mechanism.

J. Disclosure of the Results of the Consultation Phase

72. The termination or completion of the Consultation Phase will be recorded in the Registry. If all parties agree, the terms of the settlement agreement or approved recommendation will be made public, subject to the restrictions on release of information set forth in the Bank's Disclosure of Information Policy.

K. Monitoring of the Implementation of the Agreed Actions

73. The Executive Secretary is responsible for making arrangements to provide for (a) adequate monitoring of any agreement reached by the parties to the consultation and (b) adequate measures to determine whether such agreement is being implemented in an appropriate manner. He or she may do this by personally assuming the responsibility (with the assistance of the staff of the Office) or by making arrangements with the parties to the agreement for self-monitoring (or monitoring by a third party) of the provisions of the agreement dealing with monitoring and implementation. If there are deficiencies in implementation that come to his or her attention, the Executive Secretary will notify the relevant parties, the President and the Board.

III. COMPLIANCE REVIEW PHASE

A. Purpose and Scope of the Compliance Review Phase

74. Purpose. The purpose of the Compliance Review Phase is to establish a process that enables a Requester to request an investigation of a Bank-Financed Operation by a Panel of independent experts if the Requester believes that its rights or interests are or may be directly and materially adversely affected by a failure of the Bank to follow its Operational Policies in designing, analyzing or implementing a Bank-Financed Operation.

The Report of the Panel on the findings of the investigation and Management's Response to such findings provide the Board with a basis for deciding whether, if the Bank has violated its own Operational Policies, any preventive or corrective action should be taken.

75. Scope. The Compliance Review Phase will not cover any of the areas specifically excluded from the coverage of the Mechanism by paragraph 31 above.

B. Prerequisite for Use of the Compliance Review Phase: Attempt to Use the Consultation Phase

76. Before it may file a Request under the Compliance Review Phase, a Requester must first file a Request under the Consultation Phase and make a good faith effort to utilize the Consultation Phase. If the Consultation Phase has been terminated for any reason, the Requester may file a Request under the Compliance Review Phase.

C. Start of the Compliance Review Phase: Preparation and Filing of a Request

77. Basic Requirements. The basic requirements for filing a Request to activate the Compliance Review Phase are identical to the requirements set forth in paragraphs 37-40 above for the Consultation Phase. In addition, the Requester must confirm that the Consultation Phase has terminated, and describe the reasons for its termination.

78. Executive Director. An Executive Director of the Bank may also request that the Board convene a Panel for the purpose of conducting a Compliance Review Phase investigation without the necessity of a Request from outside the Bank. (However, an Executive Director may not invoke the Consultation Phase.)

79. The prerequisite for a request by an Executive Director to convene a Panel is that the Executive Director has reason to believe that there is an exceptional circumstance in which a serious violation of the Bank's Operational Policies may have occurred. Such a request must be in writing, contain all relevant facts and relate to a subject that is covered by the Mechanism.

80. With respect to a request from an Executive Director, neither a Request from a Requester nor an attempt to resolve the issue in the Consultation Phase of the Mechanism is necessary. The Executive Director's request will be sent to Management for a response, which must be provided within 30 days. The determination by the Board as to whether an investigation should be undertaken with respect to such Request will be made following receipt of a recommendation from the Chairperson and the response from Management.

81. Initiation of the Compliance Review Phase: The filing of a Request for a Compliance Review investigation with the Office is the first step in initiating the Compliance Review Phase, and the substantive content of the Request is similar to that of the Request for the Consultation Phase. Specifically, the Request must include:

- a. a statement of all relevant facts, including a description of the Bank-Financed Operation and the nature of the harm alleged to be suffered (or likely to be suffered) by the Requester;
- b. an identification of the rights or interests of the Requester alleged to be directly and materially adversely affected;
- c. an allegation that such direct and material adverse effect or harm is, or is reasonably likely to have been caused, by an action or omission of the Bank as a result of a failure of the Bank to follow its own Operational Policies in the course of designing, analyzing or implementing the Bank-Financed Operation;
- d. reasonable evidence supporting an allegation that the Requester is, or is reasonably likely to be, directly and materially adversely affected by the Bank-Financed Operation;
- e. if known, an identification of the specific Operational Policy that the Bank is alleged to have violated and a specification of the act or omission of the Bank (not the executing agency, the government, the borrower, or any third party) that constituted a violation of such Operational Policy;
- f. a description of the steps taken to try to resolve the matter directly with the Bank's Management, including (i) the efforts that the Requester already made to bring the allegations to the attention of the Management of the Bank; (ii) the Management's response to these allegations; and (iii) the reasons why such response was not satisfactory to the Requester;
- g. a statement confirming that the Consultation Phase has ended, and a description of the reasons therefor; and
- h. an acknowledgement that: (i) the Mechanism does not waive any of the privileges and immunities which the Bank enjoys as a result of the provisions of the Agreement Establishing the Inter-American Development Bank, the laws of any country, or the Bank's status as an international organization; (ii) the Mechanism is not a legal proceeding, but rather an internal fact finding process by the Bank to review whether or not the Bank's policies have been followed; and (iii) the Mechanism does not establish legal obligations (including, but not limited to, claims for compensation or damages), nor can any of its findings or documents be used as evidence in legal proceedings in any country.

A Requester may satisfy these requirements by referencing the Request for Consultation that was previously filed and accepted by the Executive Secretary and supplementing the information in the initial Request by providing (i) any significant new information, and (ii) the statement in item (g) above.

82. Manner and Place of Filing. The Request for Investigation shall be filed in the same manner and at the same place as the Request for Consultation (*See* paragraphs 45 through 50 of this Policy).

D. Initial Processing and Review

83. Acknowledgement of Receipt and Registration. Immediately upon receipt, an acknowledgement of receipt of the Request will be sent to the Requester by the Office, and the fact that the Request has been received will be recorded in the public Registry to be established by the Office. The relevant government (through the appropriate Executive Director of the Bank), project execution agency and/or borrower also will be notified of the filing. The initial registration is a purely administrative matter and does not imply acceptance of the Request or initiation of the Mechanism process.

84. Initial Review to Determine Whether to Accept or Reject the Request. Once registered, the Chairperson will send a copy to the other two members of the Panel for their information and request comments. The Chairperson, with support from the Executive Secretary and the other staff of the Office, will review the Request to determine whether the prerequisites for the filing of the Request have been met. The Chairperson makes the decision as to whether to accept or reject the Request.

85. Criteria for Review. The Chairperson's review would consider the same factors that the Executive Secretary considered in reviewing the Request for the Consultation and which are set forth in paragraph 54 above. However, because a similar Request was reviewed by the Executive Secretary and the Office staff in connection with the Consultation Phase, the Chairperson's review would consider any new information and review the decision made by the Executive Secretary on the Consultation Phase Request.

86. Timeframe. Within 15 days, the Requester should be notified by the Executive Secretary that the Request has been accepted or rejected or that additional information is required for assessment. If the Request is rejected, the Requester is provided with the reasons for rejection and a copy of the reply will be provided to the other Panel members and, through the Office of the Secretary, to the Board along with a copy of the Request. If additional information is requested, the Requester must be notified of the acceptance or rejection of the Request within five days of receipt of all of the requested information.

E. Chairperson's Recommendation on the Need for an Investigation

87. Management Comments. Once the Request is accepted, it will immediately be referred by the Chairperson to the relevant Operations Department or the Private Sector

Department (“PRI”) with a request for comments and additional relevant information. The Operations Department concerned or PRI will have 20 days to respond to the Chairperson’s request.

88. Additional Information. The Chairperson may require the Requester or Management to provide any additional information or supporting documentation the Chairperson considers necessary to formulate the recommendation.

89. Consultation with other Panel Members. Upon receipt of Management’s response and any additional information requested, the Chairperson must consult with the other members of the Panel to obtain their views on whether the Chairperson should recommend that an investigation be undertaken. In making such a recommendation, the Panel shall consider the nature of the operation and its impact.

90. Timeframe. The Chairperson should make his or her recommendation within 15 days after the receipt of Management’s response.

F. Board Decision on Whether to Conduct an Investigation

91. Method and Basis for Board Decision. Once the Chairperson has decided on his or her recommendation, the Request (with all supporting evidence), and Management’s response to the Request will be presented to the Board, through the Secretary of the Bank, along with the recommendation by the Chairperson as to whether an investigation should be conducted. The Requester is notified within five days that the Board is considering the matter and notice of the action is posted on the Register and sent to the relevant government (through the appropriate Executive Director of the Bank) , executing agency and borrower, as applicable.

92. After considering the Request and its supporting evidence, Management’s response and the Chairperson’s recommendation, the Board will decide whether to authorize the Panel to conduct an investigation. The decision is made on a no-objection basis after a review of the specified eligibility criteria for activating the Compliance Review Phase. These criteria include but are not limited to such factors as: the eligibility of the Requester; the appropriateness of any non-local representative; whether there has been an allegation of direct and material adverse harm resulting from a failure to comply with the Bank’s Operational Policies; whether the matter has been brought to the attention of Management and an explanation provided of why the Management response was not adequate; and whether the Request involves a matter which is ineligible for coverage under the Mechanism pursuant to the provisions of paragraph 31 of this Policy.

93. The Board bases its decision on information contained in (a) the Request, (b) Management’s response to the Request, (c) the report of the Executive Secretary regarding the Consultation Phase, and (d) the recommendation of the Chairperson. In the event that a member of the Board possesses or obtains information that was not available to the Chairperson, other Board members or Management, such information shall be made

available and 20 days will be provided to revise the response and recommendation if deemed necessary.

94. Notification. Once the Board has decided whether or not an investigation should be undertaken, the Chairperson notifies the Requester and the relevant government, executing agency and borrower, as applicable, within five days of that decision and notice of the Board action is posted on the Register.

95. Impact of the Decision to Investigate. The fact that the Board decides to authorize an investigation does not halt the processing or implementation of the Bank-Financed Operation or disbursement by the Bank unless there are exceptional circumstances that, in the judgment of the Bank, require the suspension of the Operation and/or disbursement. Any such suspension should be done in accordance with standard Bank procedures taking into account Management's recommendation, and subject to the terms and conditions of the relevant legal documentation.

G. Conduct of an Investigation

96. Procedural, Administrative and Organizational Aspects. The investigation will be conducted by the members of the Panel in accordance with any general guidelines or regulations adopted or to be adopted by the Panel and/or the Board upon a recommendation of the Panel with respect to the conduct of investigations. The Panel itself is solely responsible for determining the specific investigating procedures necessary to arrive at findings on the Request presented. The Panel may tailor the procedures of the investigation to fit the facts and circumstances of the specific case at hand. In addition, the Panel may seek the advice of the Legal Department of the Bank on matters related to the Bank's rights and obligations with respect to the Request under consideration and other questions that may arise concerning this Policy.

97. To assist the Panel in carrying out its responsibilities, the Executive Secretary serves as Panel Secretary and the Office serves as the Secretariat of the Panel. In the event that a Panel member resigns, or is otherwise unable to continue to serve, during an investigation, the Chairperson will seek the advice of the Board on how to proceed.

98. The Chairperson of the Panel is responsible for convening an initial meeting (or other form of consultation) with the other Panel members to decide on: (a) an initial schedule and work plan for the conduct of the investigation; and (b) the procedures that seem most appropriate for the investigation being undertaken.

99. Panel Access to Information and Advice. The Panel has access to information and assistance from a variety of sources including:

- a. Bank Staff and Records. In discharging its functions, the Panel has access to all Bank staff that may contribute information and to all pertinent Bank records. It has full authority to consult as needed with the appropriate Bank officials.

- b. Technical Consultants. The Panel may arrange to have outside expert technical advice provided to the Panel in those cases in which the Panel itself does not have all of the expertise it considers necessary to a determination in the specific case it is investigating.
- c. Requester. The Panel should normally consult with the Requester to discuss the Request. In addition to the information provided in the Request or in response to a specific request from the Panel, the Requester may provide the Panel with any supplemental information that it believes is relevant to the Panel's investigation and Report.
- d. Bank Information. The Panel is required to maintain the confidentiality of any information to which it has access (including advice from the Legal Department) when Bank policies require such information to be held confidential. (*See* section below entitled "Protection of Confidential Information.") In addition, all materials provided to the Panel are the property of the Bank and must be returned or delivered to the Bank.

100. Role of the Country in which the Project being Investigated is Located. Any part of the investigation to be conducted in the territory of a borrowing/recipient country may be conducted only after obtaining the country's prior written consent, which must be confirmed two weeks in advance through the office of the relevant Executive Director. In addition, during an investigation the Panel is required to consult with the borrower/recipient and with the Executive Director of the borrower/recipient's country and provide both the borrower/recipient and the Executive Director an opportunity to record their views during the investigation. Any views so recorded will be attached as an annex to the Panel's final Report.

101. Role of the Panel. The Panel may not interfere in the internal matters of any Bank member country or mediate between the Requesting Party and local authorities. The Panel may not interfere with the execution of a Bank-Financed Operation. The Panel must indicate clearly in all of its interactions with Requesters and related parties that its role is completely unrelated to defining or awarding compensation (other than any general discussion with such parties of their eligibility for compensation expressly established in applicable Bank policies). Any representation to the contrary by any Panel member would be considered a violation of such Panel member's employment contract, and could constitute cause for terminating such employment contract.

H. Panel Report and Findings

102. Content of Report. The Panel will examine whether the direct and material adverse harm complained of by the Requester is the result of the Bank's failure to follow its Operational Policies in the course of the design, analysis or implementation of a Bank-

Financed Operation. The findings of the Panel will be set forth in a report for the Board and the President. In preparing its Report, the Panel shall (a) take into account all relevant facts that may have an impact on the case at hand, (b) address all relevant facts, and (c) conclude with the Panel's findings on whether the Bank has complied with all relevant Bank Operational Policies, and any recommendations the Panel may wish to make in regard to its findings.

103. In deciding on the content of its report, the Panel should consider that the Mechanism is not a judicial process designed to establish guilt or innocence or to adjudicate fault or apportion blame among the various parties involved. In addition, it is not within the Panel's mandate to: (a) investigate actions of any party other than the Bank, such as government or local authorities, borrower, sponsors or other investors in connection with the Bank-Financed Operation; (b) allocate responsibility for any adverse effects among the Bank, the borrower or other parties; or (c) assess the substance, adequacy, suitability or effectiveness of the Bank's Operational Policies. Rather, the Mechanism is a fact-finding process that helps to increase the accountability and effectiveness of the Bank. Thus, the Panel's Report and its findings and recommendations should be designed to provide the factual and technical basis for a Board decision on preventive or corrective action in connection with the Bank-Financed Operation under investigation.

104. In deciding whether the Bank has complied with its Operational Policies, the Panel should keep in mind the fact that any policy or norm, no matter how carefully crafted, may contain aspects that are ambiguous, and subject to differing interpretations. If the Panel concludes that the Management of the Bank has made a reasonable, good faith interpretation of the Bank's Operational Policy, the Panel should give consideration to this fact before finding a violation of an Operational Policy.

105. The Panel will determine the applicable Operational Policies based on the information provided in the Request and through consultation with the Operations Department concerned, the Legal Department and other stakeholders. The Panel will not consider the policies and procedures of other institutions (except to the extent that the Bank's Operational Policies expressly refer to those of the other institutions).

106. Panel recommendations should relate only to actions that can be taken by the Bank itself and should not include independent action to be taken by other parties involved in the operation over which the Bank has no direct control (e.g., the borrower/recipient, the government, the executing agency, and any private sector sponsors and co-financiers).

107. The Panel will not be able to recommend the award of compensation or any other benefits to the Requesters beyond what may be expressly contemplated in the applicable Bank policies and legal documentation.

108. Form of the Report; Dissenting Views; Presentation.

(a) The Report must be in one of the official languages of the Bank.

- (b) The Report should be no more than 30 pages in length, not including annexes. To the fullest extent possible, the Report should include the following items:
- (i) Table of Contents;
 - (ii) Executive Summary;
 - (iii) Summary of the Request and Management's Response;
 - (iv) Description of the Panel's methodology;
 - (v) Panel's findings on whether the Bank complied with all relevant Bank Operational Policies, which Policies must be clearly identified;
 - (vi) Recommendations of the Panel, if any, with respect to the findings on whether the Bank complied with all relevant Bank Operational Policies; and
 - (vii) A legend substantially in the form of paragraph 109.
- (c) The Panel must try to arrive at its findings and recommendations by consensus; but, if this is not possible, the views of each participating member of the Panel must be expressly stated in the Report.
- (d) The Board may request that the Panel present its findings to the Board in person.

109. Impact of Panel Findings. The Mechanism is not a legal proceeding. The Mechanism is an internal fact finding process by the Bank to review whether or not the Bank's policies have been followed. The Mechanism does not: (i) waive any of the privileges and immunities which the Bank enjoys as a result of the provisions of the Agreement Establishing the Inter-American Development Bank, the laws of any country, or the Bank's status as an international organization, or (ii) establish legal obligations (including, but not limited to, claims for compensation or damages), nor can any of the findings or documents of the Mechanism be used as evidence in legal proceedings in any country.

110. The process is designed to provide a basis for a Board decision as to what preventive or corrective action (if any) should be taken in connection with the specific Bank-Financed Operation under investigation. The process also helps to ensure that the Bank complies with its established Operational Policies and that Bank projects achieve their intended objectives.

I. Management's Response

111. Within 30 days of the date the Panel's Report is delivered to the Board, the Management of the Bank is required to submit to the Board of Executive Directors a reply which states Management's response to the Panel findings. Management's response shall set forth, when relevant, an action plan proposal addressing issues that may relate to the Panel's recommendations, the fulfillment of the project's objectives or ways to enhance its effectiveness. In the event that Management disagrees with the findings and/or

recommendations of the Panel Report, Management may also set forth its reasons for such disagreement.

J. Board Decision on Preventive or Corrective Action

112. Scope of Board Decision. Once the Board has received the Report of the Panel and Management's response, the Board must determine what preventive or corrective action (if any) should be taken.
113. Basis for Board Decision. The Board's decision should be based primarily on the Panel's investigation (i.e., the Report and its findings and recommendations) and Management's response. If the Board finds that additional information or clarification is required from the Panel or Management, it may request such information or clarification in a written communication to the Executive Secretary for forwarding to the relevant entity.
114. Nature of Board Decision. As in the case of the Panel's finding, the Board's decision is internal and non-judicial in nature. It is not intended to have any legal consequence outside of the Bank. A clear statement to this effect will be included in the Board's decision.

K. Management's Implementation of the Board's Decision

115. Implementation and Report. Once the Board has made a decision on any preventive or corrective action, it is the responsibility of the Bank's Management to prepare a final action plan and implement the decision of the Board.
116. Management must also report to the Board on such implementation and on any measures taken to ensure compliance with the applicable Operational Policies. The applicable action plan and compliance report must be submitted within a time period designated by the Board.
117. Approval of the Changes Required by the Board's Decision. If the Board decides on changes in the scope and/or legal documentation for any Bank-Financed Operation, the Bank must obtain the consent of the borrower and/or other relevant parties in order to make the necessary changes. Any changes contemplated by the Board's decision (including in extraordinary cases suspension or cancellation of the project or disbursement) will be processed in accordance with standard Bank procedures and subject to the relevant legal documentation.

IV. DISCLOSURE OF INFORMATION

A. The Public Registry

118. The Bank shall establish a public Registry to provide information on the filing, acceptance or rejection, and on-going status of processing of Requests under the

Mechanism. The information provided will include: the fact that a Request has been filed; whether it has been accepted or rejected or whether additional information has been requested; a record of each significant procedural action taken by the Executive Secretary, the Office, Management, the Panel Chairperson, the Panel and the Board at each stage of the Mechanism process; and notice that the process has been completed. The Registry will be accessible to the public via the Bank's website.

B. Disclosure of Documents

119. Bank Policy. Disclosure of documentation or information will be subject to the restrictions on release of information set forth in the Bank's Disclosure of Information Policy.

120. Documents to be Disclosed. Subject to the restrictions on release of information set forth in the Bank's Disclosure of Information Policy, the following documents prepared in connection with a Request under the Mechanism will be made available to the public within the time periods indicated:

- Copies of all requests for the activation of the Compliance Review Phase of the Mechanism process within 10 days of the acceptance of the Request, provided that the Requester may ask that its identity remain confidential;
- The report or agreement prepared at the end of the Consultation Phase, unless one of the parties involved in the process requests that it remain confidential² within 30 days of the submission of the report to the President and the Board;
- Periodic status reports on the cases under review by the Panel;
- Final reports of investigations conducted by the Panel and the Management's response to the findings of such report –within 90 days following receipt by the Board;
- Reports by Management on actions taken at the request of the Board in response to the Panel findings (an Action Plan and Compliance Report) – within 15 days following Board approval of the measures taken by Management; and
- Annual reports of the operations of the Mechanism, including requests received, consultations and investigations conducted and their results and a discussion of lessons learned–in the first quarter of each calendar year.

² If one of the parties asks that the agreement be kept confidential, the Executive Secretary will seek the consent of the party for the preparation and release of an abstract in a form acceptable to the party requesting confidentiality.

121. Disclosure will be made via the Bank's website and through the Bank's Public Information Center and country offices.

C. Protection of Confidential Information

122. This Policy contains a number of provisions designed to protect information that would be considered confidential under the Bank's Disclosure of Information Policy. They are summarized as follows:

- a. Information Available to the Panel. The Panel and the Office staff are subject to the Bank's Disclosure of Information Policy, including those provisions aimed at maintaining the confidentiality of any information that is required by Bank policies to be confidential.
- b. Information in the Panel Report and Management's Response. Information that has been identified by the Bank, a borrower, co-financer or relevant government or as confidential, sensitive or whose release would be adverse to relations with the Bank will be segregated in a confidential annex to the extent practicable and may not be disclosed. Management may identify (in a confidential annex) in its Management's Response statements in the Panel Report that are deemed confidential or sensitive.

V. EVALUATION OF EXPERIENCE

123. Ongoing Review of the Mechanism Policy and Operating Guidelines. Since the primary purpose of the Mechanism is to increase the transparency, accountability and effectiveness of the Bank's performance, the operation of the Mechanism and this Policy will be the subject of ongoing review by Chairperson and the Office. Each year the Office and the Chairperson will (a) conduct an evaluation to identify any lessons that might be applied to fulfill the Mechanism's purpose and improve the Bank's performance; (b) review the effectiveness and continued appropriateness of this Policy; and (c) as necessary, submit any suggestions for improvements in the Mechanism Policy to the Board for approval.

124. Special Report. After four cases have been reviewed under the Mechanism or four years after the effective date of this Policy, whichever is earlier, the Office of Oversight and Evaluation shall issue a special report on the experience of the Mechanism. On the basis of the special report, and any comments thereon from Management, the Board will assess the experience with this process.

VI. TRANSITION ARRANGEMENTS

125. The Consultation and Compliance Review Mechanism will become effective 120 days after the Board has given its final approval to this Policy. During this 120-day transition period from the existing Mechanism to the enhanced Mechanism, Requests for the activation of the Mechanism process will be accepted but they will not be processed until the enhanced Mechanism becomes effective. The eligibility of Requests filed during the transition period will be determined as of the date of the Request. Any Requests filed prior to the Board's final approval of this Policy will be processed under the rules and procedures of the existing Mechanism.

VII. DEFINITIONS

126. **Bank:** The "Bank" is the Inter-American Development Bank.

127. **Bank-Financed Operations:** "Bank-Financed Operations" cover the whole range of approved and ongoing Bank operational activities, whether with or without government guarantee (public or private sector), and include projects and any other operational activities involving loans, grants, technical cooperation assistance and guarantees financed in whole or in part from Bank funds or from funds administered or guaranteed by the Bank. An "ongoing operation" is one that has been approved but not yet fully disbursed (i.e., when less than 95% of the relevant Bank financing has been disbursed, when the borrower notifies the Bank that no further disbursements will be sought, or when no further disbursements are allowed under the financing documentation). Operations of the Multilateral Investment Fund are excluded from coverage by the Mechanism.

128. **Board:** The "Board" is the Board of Executive Directors of the Bank.

129. **Borrower/Recipient:** A "borrower/recipient" is a party that has received funding of a Bank operation and that has entered into a loan, technical cooperation or guarantee agreement with the Bank.

130. **Chairperson:** The person serving as Chairperson of the Panel.

131. **Compliance Review Phase/Compliance Review Process:** The "Compliance Review Phase" or "compliance review process" involves a formal investigation of whether the Bank violated its own Operational Policies. The investigation is conducted by the Chairperson and the other members of the Panel and results in a report.

132. **Consultation Phase/Consultation Process:** The "Consultation Phase" or consultation process is conducted or coordinated by the Executive Secretary of the Office and provides a flexible process involving various consensual methods of addressing the concerns of a Requester.

133. **Days:** Unless specifically denoted as calendar days, the term "days" means days on which the Bank is open for business in Washington, D. C.

134. **Disclosure of Information Policy:** The Bank's policy on Disclosure of Information (OP-102).
135. **Executing Agency.** An "executing agency" may be the borrower/recipient or an entity designated by the borrower/recipient to execute all or part of the project.
136. **Executive Secretary:** The "Executive Secretary" is the person appointed by the President to serve as the Executive Secretary of the Office.
137. **Material Adverse Effect:** One of the prerequisites for initiating both the Consultation Phase and the Compliance Review Phase is that a Bank-Financed Operation is alleged to have "directly and "materially adversely affected" the rights or interests of a Requester.
- In order for an effect to be "**material**," it must be significant and objectively verifiable in the context of the circumstances which give rise to the Request (e.g., substantial in relation to the party's rights or interests impacted by the Bank-Financed Operation).
 - In order for an effect to be "**adverse**," there should be deterioration in the Requester's position from what it would have been without the Bank-Financed Operation. Unfulfilled expectations or non-accomplishment of an operation's objectives that do not generate a material deterioration in a Requester's rights or interests when compared with the "without-operation" situation should not be considered as a material adverse effect.
 - In order for an effect to be "**direct**", there must be no significant intervening cause of the adverse impact (e.g., an act of God or an action or inaction by the Requester itself, the borrower, the executing agency or some third party). Indirect impacts of actions or omissions of the Bank may be considered only to the extent (i) required by the Operational Policy alleged to have been violated, and (ii) directly attributable to the relevant Bank-Financed Operation.
138. The determination of whether there is a "direct and material adverse effect" will depend on the facts and circumstances of each case and will require the exercise of common sense and judgment by the Executive Secretary and the Chairperson of the Panel in determining whether a Request is in compliance with the requirements of the Mechanism, as well as the application by Panel members of appropriate fact-based methodologies in developing any final Panel findings.
139. **Mechanism/ Mechanism Policy/Mechanism Process.** The "Mechanism Policy" is the Policy on the Mechanism for Consultation and Compliance Review at the Inter-

American Development Bank. The “Mechanism” or “Mechanism Process” refers to the entire spectrum of activities involved in the Consultation and Compliance Review Mechanism as set forth in this Policy and includes both the Consultation and Compliance Review Phases, as applicable.

140. **Office:** The “Office” is the Office of the Consultation and Compliance Review Mechanism.

141. **Operational Policies:** “Operational Policies” are those established policies and procedures that are included in the Bank’s Operations Policies Manual or are approved by the Bank’s Board of Executive Directors, and which apply to the design, appraisal, approval and/or implementation of Bank-Financed Operations. These policies and procedures include those relating to the enforcement of compliance with a borrower’s obligations required by such policies and procedures. In order to qualify as an “Operational Policy” the policy or procedure must have been formally approved by the Board prior to the time that the Bank-Financed Operation is approved. Guidelines, procedures or norms approved only by the Management of the Bank are not subject to the Mechanism, irrespective of the level of Management approval. The applicable Operational Policy shall be the version in effect at the time of the Board approval of the operation that is the subject of the Request, unless the relevant legal documentation provides otherwise.

142. **OVE:** “OVE” is the Bank’s Office of Evaluation and Oversight.

143. **Panel:** The “Panel” is the three-person body whose members are confirmed by the Board after nomination by the President. The main functions of the Panel are (a) to conduct any Compliance Review Phase investigation authorized by the Board, and (b) to prepare a report regarding the investigation.

144. **Policy:** The Policy and Operating Guidelines for the Consultation and Compliance Review Mechanism of the Bank.

145. **President:** The “President” is the President of the Bank.

146. **Reasonable Evidence:** As a part of its Request, a party must offer “reasonable evidence” that its rights or interests have been or are reasonably likely to be directly and materially adversely affected by an act or omission of the Bank as a result of a failure to follow its own Operational Policies in connection with a Bank-Financed Operation. The Mechanism process is not judicial in nature, and none of the parties involved in the process is a judicial entity. Therefore, the strict rules of evidence that apply in judicial proceedings are not applicable in evaluating the evidence submitted by a Requester.

147. There is no specific form or type of evidence that must be submitted, as it will vary from case to case depending on the nature of the project and the allegations contained in the Request. In the final analysis, whether or not the evidence is “reasonable” is a matter of common sense and judgment and would depend on the specific facts and circumstances surrounding the Request.

148. **Representative of a Requester:** The Mechanism allows a party that believes it is directly and materially adversely affected to appoint a representative to file a Request on its behalf. The “representative of a Requester” is any party who has been designated by the Requester to act as its authorized agent in connection with filing and processing a Request for Consultation or investigation. When acting as a representative, a party acquires no independent rights of its own and acts only as the Requester’s agent in connection with the filing and processing of a Request. Written evidence of such authorization must be included with any Request filed by a representative. The Mechanism assumes that the representative will be local but permits another representative (e.g., a national or international NGO) in exceptional cases where the Executive Secretary agrees that no appropriate local representative is available.
149. **Request.** A “Request” is any written communication to the Office asking that a consultation process be initiated or independent investigation of a Bank-Financed Operation be conducted. It includes all supporting evidence and other documentation submitted with the Request for an investigation. A Request must include the information described in paragraphs 41 or 81 of this Policy.
150. **Requester or Requesting Party:** A “Requester” may be any group of two or more individuals, not members of the same household, residing in the national territory of a borrower, recipient or technical cooperation beneficiary. The Requester must allege that its rights or interests have been or could reasonably be expected to be directly and materially adversely affected by an action or omission of the Bank as a result of a failure of the Bank to follow its own Operational Policies in connection with a Bank-Financed Operation. The Requester may be an organization, association, society or other grouping of individuals.

ANNEX A -MODEL FORM FOR REQUEST FOR CONSULTATION

To: Executive Secretary
Office of the Consultation and Compliance Review Mechanism
Inter-American Development Bank
1300 New York Avenue N.W
Washington, D. C. 20577
United States of America

Re: Request for Consultation

Information Concerning the Requester or its Representative

(1) We, [insert names of individuals or name of group or groups constituting the Requester] file this Request for Consultation concerning the [insert name of project] project.

Or, if filing party is a representative of the Requester,

(1) We [insert name of the representative] are filing this Request for Consultation concerning the [insert name of project] as the designated and duly authorized representative of [insert name of the Requester], the Requester. [In the case of non-local representation, please provide evidence that there is no adequate or appropriate representation in the country where the project is located.]

(2) We [The parties we represent] live in the area known as [insert name of area] which is shown on the attached map or diagram.

(3) We can be contacted through the following address, telephone and fax numbers or email:

Address:

Telephone:

Fax:

Email:

(4) *Optional* We request that our identity [the identity of the party we represent] be kept confidential and not disclosed.

Basis of Complaint

- (1) A summary description of the name, location and nature of the project which is the subject of this Request is as follows:

[insert a brief description of the project]

- (2) The Inter-American Development Bank (the “IDB”) is providing a loan, technical cooperation or guarantee in connection with the project in the following way:

[insert a brief description of how the IDB is involved with the project]

- (3) We [the Requester] have the following rights or interests which are being (or are reasonably likely to be) impacted by the project:

[describe the rights and interests of the Requester impacted by the project]

- (4) We believe that our [the Requester’s] rights or interests have been, or are reasonably likely to be, harmed and directly and materially adversely affected by an action or omission of the IDB as a result of a failure to follow its own Operational Policies in connection with a Bank supported project or operation. Specifically, we [the Requester] has been harmed in the following ways:

[insert description of how the Requester has been or is reasonably likely to be harmed]

- (5) We [the Requester] believe(s) that the Operational Policies of the Bank that were not complied with in this project are: [insert reference to relevant Bank Operational Policies, if known]

Steps Taken to Resolve the Problem

- (1) The following steps have been taken to make the situation described above known to IDB staff:

[describe any meetings or correspondence with IDB staff concerning the matter and attach copies of any notes or correspondence]

- (2) The IDB response is inadequate because:

[explain and attach copies of any IDB response or notes of relevant meetings]

- (3) The following additional steps have been taken by us [the Requester] to try to resolve the problem:

[describe any additional action taken to try to resolve the problem]

Other Information and Evidence

- (1) Other relevant facts that support this Request are:

[insert any other information supporting the Request]

- (2) Attached to this Request are materials that provide reasonable evidence to support the allegations in this Request. [If such evidence is not attached, indicate where and how such evidence may be obtained or provide an explanation of why it was omitted or cannot be provided.]
- (3) [If the filing party is a representative of the Requester, include the following] Attached to this request is written evidence that we are the duly authorized agent of [name of the Requester] for the filing of this Request.
- (4) We are prepared to provide additional information and evidence if needed to evaluate this Request.

Request

Because we believe that our rights or interests have been or are reasonably likely to be directly and materially adversely affected by an action or omission of the IDB as a result of a failure to follow its own Operational Policies in connection with an IDB project or operation, we request that the Executive Secretary of the Office of Consultation and Compliance Review Mechanism initiate the Consultation Phase process dealing with the matters outlined in this Request.

Acknowledgment

We acknowledge that the Mechanism is not a legal proceeding, but rather an internal fact finding process by the Bank to review whether or not the Bank's policies have been followed. We further acknowledge that the Mechanism does not: (i) waive any of the privileges and immunities which the Bank enjoys as a result of the provisions of the Agreement Establishing the Inter-American Development Bank, the laws of any country, or the Bank's status as an international organization, nor (ii) establish legal obligations (including, but not limited to, claims for compensation or damages); nor can any of the findings or documents of the Mechanism be used as evidence in legal proceedings in any country.

Date, Signature and Contact Information

Date:

Signature(s):

Contact Information:

Address:
Telephone:
Fax:
Email

Other

Attachment(s)

Yes
No

**ANNEX B - MODEL FORM FOR REQUEST FOR COMPLIANCE REVIEW
PHASE ACTIVATION**

To: Executive Secretary
Office of the Consultation and Compliance Review Mechanism
Inter-American Development Bank
1300 New York Avenue N.W
Washington, D. C. 20577
United States of America

Re: Request for Activation of the Compliance Review Phase

Information Concerning the Requester or its Representative

- (1) We, [insert names of individuals or name of group or groups constituting the Requester] file this Request for Activation of the Compliance Review Phase (“Request for Investigation”) concerning the [insert name of project] project.

Or, if filing party is a representative of the Requester,

- (1) We, [insert name of the representative] are filing this Request for Investigation concerning the [insert name of project] as the designated and duly authorized representative of [insert name of the Requester], the Requester. [In the case of non-local representation, please provide evidence that there is no adequate or appropriate representation in the country where the project is located.]
- (2) We [the parties we represent] live in the area known as [insert name of area] which is shown on the attached map or diagram.
- (3) We can be contacted through the following address, telephone and fax numbers or email:

Address:

Telephone:

Fax:

Email:

- (4) *Optional* We request that our identity [the identity of the party we represent] be kept confidential and not disclosed.

Basis of Complaint

- (1) A Request for Consultation was filed with the Office of Consultation and Compliance Review Mechanism on [insert date of filing] and accepted on [insert date of acceptance] by the Office. Reference is made to the Request for Consultation for information on the following matters: a summary description of the name, location and nature of the project which is the subject of this Request; information on the IDB loan, technical cooperation or guarantee in connection with the project; the rights or interests which we have and which are being (or are likely to be) impacted by the project; information on the steps that we took to bring the matter to the attention of the IDB staff and the reasons why it was not resolved to our satisfaction at that stage; the nature of the harm that we suffered; and the evidence that supported the Request for Consultation.
- (2) We [the Requester] understand(s) that the IDB has the following operational policies applicable to the project:

[to the extent known, insert a list or describe the applicable operational policies]
- (3) We believe that the IDB has failed to comply with these operational policies in the following way:

[to the extent known, describe the IDB acts or omissions that fail to comply with its operational policies]
- (4) We believe that our [the Requester's] rights or interests have been, or are reasonably likely to be, harmed and directly and materially adversely affected by an action or omission of the IDB as a result of a failure to follow its own operational policies in connection with an IDB supported project or operation.
- (5) The Consultation Phase has terminated. The reason(s) for its termination follow(s): [describe]

Evidence and Other Information

- (1) Attached to this request are materials that provide reasonable evidence to support the allegation that the IDB failed to follow its own operational policies in connection with the project that is the subject of this Request. [If such evidence is not attached, indicate where and how such evidence may be obtained or provide an explanation of why it was omitted or cannot be provided.]
- (2) Additional relevant facts that were not included in the Request for Consultation and that support this Request are:

[insert any additional information supporting the Request]

- (3) We are prepared to provide additional information and evidence if needed to evaluate this Request.

Acknowledgement

- (1) We acknowledge that the Mechanism is not a legal proceeding, but rather an internal fact finding process by the Bank to review whether or not the Bank's policies have been followed. We further acknowledge that the Mechanism does not: (i) waive any of the privileges and immunities which the Bank enjoys as a result of the provisions of the Agreement Establishing the Inter-American Development Bank, the laws of any country, or the Bank's status as an international organization, nor (ii) establish legal obligations (including, but not limited to, claims for compensation or damages); nor can any of the findings or documents of the Mechanism be used as evidence in legal proceedings in any country.

Request

Because we believe that our [the Requester's] rights or interests have been directly and materially adversely affected as a result of IDB acts or omissions that violated IDB operational policies, we request that the Board of Executive Directors of the IDB authorize an investigation of the matters outlined in this Request.

Date, Signature and Contact Information

Date:

Signature(s):

Contact Information:

Address:

Telephone:

Fax:

Email

Other

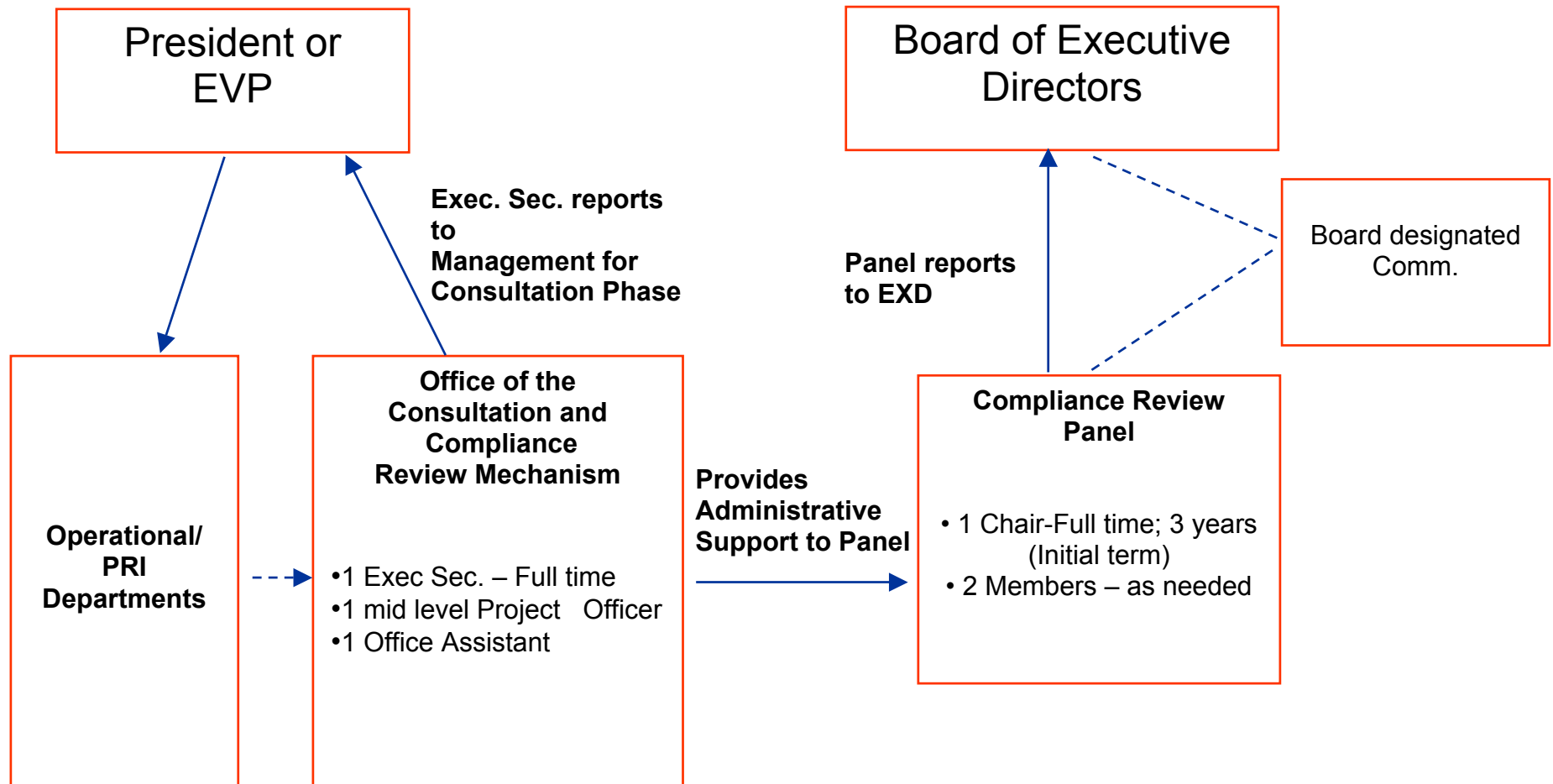
Attachment(s)

Yes

No

ANNEX C

Proposed Organization Consultation and Compliance Review Mechanism



ANNEX D

**Proposed New Consultation Phase
Flow Chart of Request Processing**

		<i>Time Frame</i>
<i>Discussions with Management</i>	<i>Pre-Mechanism</i>	
Request for Consultation Received	Acknowledgment - ES Registration	Immediate
↓		
Appraisal Against Acceptance Criteria	Requester informed of (1) Acceptance; (2) Rejection; or (3) More info necessary	15 days or 5 days after add'l info.
↓		
If accepted, refer to Management for Response	Requester informed of referral; Management prepares response	20 days
↓		
Decision to Proceed and How	ES recommends consultation process	60 days after acceptance
↓		
Consultation Occurs (Dialogue; Mediation)	ES seeks parties' consent and participation; agreement on consultation method	20 days to seek consent; Parties agree on timing in writing; 60 days target
↓		
Consultation Ends (1) Opt-Out exercised (2) Successful Termination	ES advises parties, EXD and PRE; conclusions not public unless parties agree	With parties' consent, conclusions released to public within 30 days
↓		
Compliance Review may be requested		

**Proposed New Compliance Review Phase
Flow Chart of Request Processing**

		<i>Time Frame</i>
<i>Discussions with Management</i>	<i>Pre-Mechanism</i>	
Consultation Phase Ends (1) opt-out exercised (2) successful termination	Must fulfill all consultation requirements	
Request for Compliance Review Received	Acknowledgment-ES	Immediate
Appraisal against Acceptance Criteria ↓	Panel Chair reviews Consultation Phase info. and request. Requester informed of (1) acceptance; (2) rejection; or (3) more info. necessary	15 days or 5 days after additional information; Request is publicly released 10 days after acceptance
Refer to Management for Response ↓	Requester informed of referral; Management prepares response	20 days
Recommendation on Investigation ↓	Panel and members consult. Chair makes recommendation	15 days
EXD decides to conduct investigation or not ↓	EXD decision on no-objection basis	Within 5 days Requester notified of EXD consideration; EXD places on agenda; if EXD decides to investigate, Requester notified in 5 days
Panel investigation and Panel Report ↓	Requester, Management, Borrower and Country consulted	Timing of investigation subject to Panel
Management Response ↓		30 days for Management response; Report and Responses released to public 90 days after delivery
EXD determines preventive/corrective action ↓	EXD reviews Panel Report and Management response	EXD sets timing
Management implements decision	Implementation and Compliance Report Prepared	Implementation Report released to public within 15 days after EXD approval