

Guide for Complainants / Communities

What is the Independent Complaints Mechanism?

Proparco's goal is to promote private sector development in developing and transition countries. In order to achieve sustainable growth and lasting improvements in people's lives, we are committed to applying high internationally accepted standards to our own operations as well as to those of our clients.

Together with the Deutsche Investitions- und Entwicklungsgesellschaft (DEG) and the Netherlands Development Finance Company (FMO), Proparco established the Independent Complaints Mechanism ("Mechanism") to give individuals and communities who believe to be adversely affected by operations financed by Proparco the chance to raise specific issues and to assist in the resolution of those issues.

Proparco has set up a Complaints Office to administrate and coordinate the work regarding the Independent Complaints Mechanism. The Mechanism is further supported by an Independent Expert Panel, which decides on the admissibility of a complaint and handles all subsequent processes. The Panel is formed of three international specialists with expertise and experience in mediation, social and environmental issues, as well as in setting up and supporting complaints mechanisms. The Panel is completely independent from Proparco.

Who can make a complaint?

Any person living in the area of operations or who has an economic or other defined interest in the area may submit a complaint as long as he or she is can demonstrate to be affected by the activities or impacts of operations financed by Proparco. This can include workers, local communities or those whose livelihoods derive from the area of operations.

Can someone represent me and/or my community?

Yes. When an individual or an organization files a complaint on your behalf, that organization or representative should provide evidence that you have given them authority to represent you.

What can the complaint be about?

The complaint could be about:

- Rights abuses, negative environmental, social and corporate governance effects or other detriments, which affect a complainant and are linked to the operations financed by Proparco.
- A failure by Proparco to comply with its own policies that are based on international standards

How can I file a complaint?

Complaints must be submitted in writing, by e-mail, post or using the online form provided at Proparco's website. You may submit the complaint in English or any other official language via:

e-mail: complaintsoffice@proparco.fr

mail/post: Proparco
Complaints Office
151 rue Saint Honoré
75001 Paris
France

website: <https://www.proparco.fr/en/independent-complaints-mechanism-icm>

If the complaint is submitted in English, we will send you a confirmation of receipt within 5 working days. Complaints submitted in another language may require additional time for translation.

What information do I need to include in my complaint?

Please include the following information when you are submitting a complaint:

- Your name and contact information, including country of residence.
- If relevant, the identity and contact information as well as proof of the representative's authority to represent the complainant.
- The nature and location of the project in question and its name (if known).
- Information regarding the perceived harm or risk in as much detail as possible and how you are or could be affected by it. If you have any documents deemed relevant, please attach these to your complaint.
- A description of the steps that have already been taken to address the perceived harm or risk or to resolve the dispute.
- If relevant, provide an indication, which of its policies Proparco has allegedly breached.
- What you hope to achieve with your complaint - what resolution or remedy you are seeking.
- Whether you wish your identity and/or the information provided to be kept confidential.

How will you determine whether my request is admissible?

The Independent Expert Panel will determine whether your complaint is admissible, based on the pre-defined admissibility criteria. The admissibility criteria are the following:

- The Complaint must contain allegations with substantial, (in)direct and adverse impacts or risks;

- The complainant must be affected or likely to be affected by an operation financed by Proparco. In case the complainant is representing others, it must identify the people it represents and explicit evidence of the representative authority must be provided;
- There must be an indication of a relationship between the operation financed by Proparco and the alleged impacts;
- Proparco must have or will have an active financial relationship with the client responsible for carrying out and implementing all or part of the operations relevant to the complaint;

Which situations are excluded from the complaints mechanism?

We do not accept complaints which:

- are filed anonymously – you can however request to keep your identity confidential. The Panel and the Complaints Office will take the necessary care in the investigation of the complaint;
- do not meet the admissibility criteria;
- are excessive, repetitive, frivolous or malicious in nature;
- are aimed at dispute resolution and are identical to those that already are being handled by other high standard administrative or judicial review mechanisms or which have been settled by the latter. Identical Complaints that have been lodged with other mechanisms can be admissible for Compliance Review, but may be suspended while being under review by another mechanism; and/or

If the Complaint concerns aspects like fraud, bribery, corruption and/or money laundering, the ICM will consult with Proparco's Compliance Unit to determine the appropriate channel(s) for processing the Complaint.

Is the Mechanism applicable to all operations financed by Proparco?

In February 2019, Proparco commenced introducing the necessary contractual arrangements to include the Mechanism's procedures in its financing and investment agreements with clients. If a Complaint relates to a case in which the necessary contractual arrangements are missing, the full implementation of the Mechanism's procedures will require the cooperation of all relevant parties. This includes, but is not limited to, allowing non-public information relating to the case at hand being shared with the persons involved in the Mechanism. The process of handling the Complaint may consequently require more time in order to establish and maintain the necessary cooperation, and the possibilities to process the Complaint in accordance with the procedures set out in the Mechanism may be restricted. In the event that the Complaint requires an approach which deviates from the Mechanism's procedures, the Complainants will be informed on a regular basis on the approach and the process that will be followed.

What happens after a complaint is filed?

Once the Independent Expert Panel has determined whether a complaint is admissible, it will decide on the appropriate next steps.

If your complaint is deemed inadmissible you will be notified and informed of the reasons. The Independent Expert Panel will attempt to make recommendations on other possibilities open to you.

If your complaint is admissible, the Independent Expert Panel will communicate an indicative timeline for its preliminary assessment, where it will try to get a better idea of the situation and different points of view. In this process, you will be contacted by the Panel members.

During the preliminary assessment, the Panel will try to find out whether you and other relevant parties are willing to work towards a joint solution of the issue at hand through **dispute resolution**. Should you or any other relevant party not be willing to start a dispute resolution process, the Panel can conduct a compliance review to see whether Proparco may have failed to comply with its policies and standards.

What is dispute resolution?

The aim of **dispute resolution** is to work to produce an outcome which is acceptable to all parties and provides for positive and ongoing actions to resolve the dispute. A pre-condition for dispute resolution is that all parties are willing to find common ground. The panel member(s) and/or another suitable expert accepted by all parties will work with you, the client of Proparco and any other relevant stakeholders to develop a process appropriate for better understanding the issues raised in the complaint and to try to reach a mutually acceptable outcome. This process may include information sharing, joint fact-finding, facilitated discussions or mediation with the aim of finding a practical solution that is acceptable for all sides. As part of this process, the Independent Expert Panel will not take a position on any specific allegations nor does it find fault or liability. It is not the role of the Panel to impose solutions on the parties.

A dispute resolution process may be conducted before, after or instead of compliance review depending on the Independent Expert Panel's assessment of the complaint.

What is compliance review?

In a **compliance review**, the Panel investigates Proparco's compliance with relevant policies and standards.

The assessment will try to determine whether there is evidence of significant adverse impacts and whether there has been a failure on the part of Proparco to comply with policies, standards or other relevant appraisal criteria. This assessment is based on interviews with you; officials of Proparco responsible for implementation of the relevant policies in relation to the financed operation under review; and other stakeholders to better understand the circumstances of the project.

Following a compliance review, the Panel may make recommendations for how Proparco could strengthen its application of policies to the operations in question or to improve policies and/or procedures.

A compliance review may be conducted before, after or instead of mediation depending on the Independent Expert Panel's assessment of the complaint.

Can I expect a remedy?

The aim of the process is not to find liability or to enforce a remedy. The purpose of dispute resolution is to try to move the parties to a position where they can agree voluntarily how to resolve outstanding disputes. The aim of compliance review is to identify ways in which Proparco can better implement its own policies where shortfalls are found.

Is there a specific timeframe for the process?

At the outset of the process, the Panel will discuss the timeframe with you, the client and Proparco. Based on the Panel's assessment they will suggest an indicative timeframe for the various phases of the process.

Can I ask for my information to be treated as confidential?

Yes. Please state whether you wish your identity and/or the information provided to be kept confidential.