

# OUR LAST AND ONLY RESORT

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What happens when development goes wrong  
in the Middle East and North Africa

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# EXECUTIVE SUMMARY

International development projects are intended to benefit local communities by reducing poverty, providing social support, and strengthening livelihoods. For many of these projects, however, the risks of harm to those same communities can be severe, particularly when the people designing and investing in projects are remote from the project site, and when local people cannot meaningfully participate in the design and operation of investments. When harm does occur, accessing remedy also presents significant barriers. Communities face technical and logistical barriers, governments that prioritize corporate interests over those of their citizens, and security threats.

Independent Accountability Mechanisms (IAMs) tied to international financial institutions (IFIs) offer an opportunity for communities to raise grievances related to projects funded by the IFI in an effort to reach remedy. Around the world, over 1,600 complaints have been filed with IAMs about internationally financed development projects. IAMs are often the last and only resort available to communities in the face of harm from development projects. They play an important role in ensuring that communities have a voice in development decisions that impact them. Addressing community concerns in development decisions impacting their lands, resources, cultural identities, heritage, and environments requires that independent accountability mechanisms be independent, fair, transparent, professional, accessible, and effective. This report focuses on complaints filed to IAMs about harm from internationally financed development projects in the Middle East and North Africa (MENA) region.

The MENA has the fewest absolute number of complaints out of any region globally and the second lowest rate of complaints addressed through a compliance review<sup>1</sup> or dispute

resolution<sup>2</sup>. In an effort to understand why this trend persists, we conducted an analysis of all complaints filed to IAMs and projects financed by IFIs. We also consulted with groups who have filed complaints and with representatives from IAMs that have handled complaints in the MENA.

This research shows that communities and advocates in the MENA face similar limitations to those faced by communities and advocates in other regions globally. These limitations include language and translation requirements, limited knowledge of IAMs and the complaints process, and the substantial time and resources required to engage in IAM processes. Communities and advocates also face issues relating to the extent to which supporting groups are involved, the limited capacity of local groups, IAM decision-making authority and operational independence, and power imbalances that impact the dynamics of complaint processes. However, the MENA also faces a weakened civil society, political instability, and a high risk of retaliation by the state, further compounding these broader limitations of the IAM process and exacerbating their effects. Our report finds that these compounded issues have contributed to the relatively low number of complaints filed and the extremely low rate of complaints being addressed through compliance review or dispute resolution in the MENA.

In order to address the findings in this report, we recommend that IAMs and IFIs adopt broadly-accepted best practices and policies. More specifically, we suggest addressing reprisals and retaliation to address underutilization, providing direct funding to communities involved in IAM processes to ensure effectiveness and equitability, and incorporating a remedy fund into IFI budgets when taking on projects to ensure communities can receive material remedy from harm.

# THE CONTEXT

In early 2010, farmers in the Chichaoua region of Morocco noticed that their drinking water had become dirty and discolored. A large internationally funded highway project, the Marrakech–Agadir Motorway, was being constructed near their farmland. In addition to water pollution, farmers began to experience other types of harm. Their homes started cracking from the construction and traffic, certain farmlands eroded, water streams and traditional dams were damaged, and they had to travel longer distances to get to vital areas.

A civil society organization operating in the area, the Center for Development of the Region of Tensift in Morocco (CDRT), knew that the African Development Bank (AfDB) contributed to funding the project. Further, CDRT knew that the AfDB contained within it an “accountability office”

where communities could file official complaints about harm caused by AfDB-financed projects in an effort to remedy damage. The CDRT filed a complaint on behalf of the affected communities to the AfDB’s IAM: the Independent Review Mechanism (IRM). CDRT requested a negotiated solution to the problems the farmers were facing as a result of the project. Six and a half years later, in December 2016, the parties reached an agreement that pledged to repair the farmers’ homes, restore agricultural lands, and preserve irrigation catchments. It was a rare victory for the community, in a region where we know harm occurs but these types of complaints are sparse and remedy even more so.

Reflecting back on the process, CDRT President Dr. Ahmed Chehbouni was proud of the organizing and collaboration required to bring tangible



Chichaoua region of Morocco. Credit: CDRT, “Successful mediation in the handling of the complaint on the construction of the Marrakech – Agadir Motorway Project,” film production 2019.

remedy to the community. But when the World Bank approached him about supporting another community through a complaint process, he politely declined. “We’re tired. We won’t take it up because we’re exhausted.” Dr. Chehbouni was not the only interviewee who shared this sentiment.

Accountability offices tied to international financial institutions were designed to identify, address, and mitigate harm from development projects. These IAMs are relatively new and largely unutilized. However they have already had occasion to demonstrate that, at their best, these systems can provide substantive and meaningful remedy to communities alleging harm from projects financed by international financial institutions (IFIs). Yet the efficacy of these processes ranges widely and depends on a number of factors, including the robustness of the complaint that is submitted, the resources and level of organization of complainant communities, the presence and extent of CSO<sup>3</sup> support, and the location of the project.<sup>4</sup> Other structural factors such as the capability of the IAM to manage the process fairly and effectively, the willingness of the bank to engage with the IAM process, and the threat of retaliation and violence faced by complainants also influence the efficacy of IAM processes.

This report looks at the operations of the IAM ecosystem in the Middle East and North Africa (MENA), the region with both the lowest complaint volume<sup>5</sup> and the second lowest rate of complaint outputs.<sup>6</sup> We seek to understand why complaints in this region fall short relative to others and what can be done to improve accessibility and efficacy of IAMs for impacted communities going forward. This report incorporates the experiences and opinions of almost a dozen communities across five countries, in-depth interviews with IAMs operating in the area, and an analysis of all publicly available complaint and project-related data in the region. Project and complaint data is sourced from the [Accountability Console](#), a

comprehensive database co-created by the authors of this report that collects and organizes community complaints filed with IAMs.

The findings of this research highlight a number of factors within the scope of IAMs and IFIs that are limiting both access and efficacy of complaints in the region, as well as other broader structural, governance, and social issues that can be addressed and mitigated through thoughtful and nuanced adjustments to the management of complaints. The learnings from this research can also support impacted communities and their advocates to engage with the IAM system more effectively with a greater likelihood of success.

Though the research below is focused on complaints within a particular geographic region, many of the lessons apply far more broadly. Issues faced in the MENA are also prevalent in other regions, if less acutely. Improvements to accessibility and efficacy of IAMs stand to be improved everywhere but may be most needed in the MENA. We hope the findings from this process will inspire future investigations into other regions, the role of international CSOs and nongovernmental organizations (NGOs), and other factors required to understand and improve the accountability ecosystem in international finance. Such investigations can help the system of accountability to better realize its core principle of ensuring a community voice in the defense of their lands, resources, cultural identities, respect, and dignity.



# METHODOLOGY

This research employed both quantitative and qualitative research methods. The quantitative analysis relied on data collected on complaints and IFI projects to investigate relationships between complaint issues, project sectors, countries, level of international CSO support, and several other variables, as well as the rate of complaints expressed as a proportion of total project volume. The complaint data includes all public information available on complaints filed to IAMs. Project data includes all development projects financed by IFIs with accountability offices, as of the date its IAM was established (e.g., project data for the World Bank includes any project financed by the Bank since 1994, the year that the Inspection Panel began operating).

The qualitative research centered on semi-structured interviews with CSOs and individuals involved in filing or supporting complaints in the MENA, as well as interviews with representatives of IAMs who managed complaints in the MENA. Themes raised in each of the interviews were grouped and categorized to identify commonalities and trends. We spoke with nine groups involved in the filing or supporting of complaints in the MENA, across five countries, and representatives of four IAMs. Direct quotes from those interviews are italicized in the analysis below. This report draws upon the themes and topics raised in qualitative interviews, as well as trends observed in quantitative research.



An indigenous leather tannery in Morocco. Credit: Accountability Counsel

# THE PROBLEM

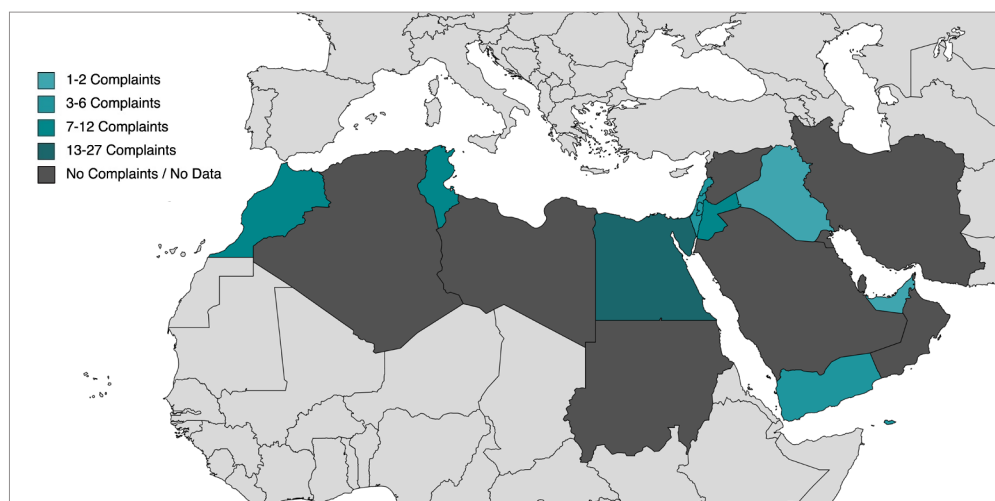


Downtown Marrakesh, one terminus of the AfDB-financed Marrakech-Agadir Motorway Project. *Credit: Accountability Counsel*

The MENA has the lowest number of complaints filed of any region with a total of 73 complaints distributed across nine countries: Egypt (26), Tunisia (12), Jordan (10), Morocco (9), Lebanon (6), Yemen (4), Palestine/Israel (3), Iraq (1), the United Arab Emirates (1), and Unknown (1). This region also maintains the second lowest rate of complaints reaching outputs from the complaint process. The MENA's low complaint volume and

output rate suggests that IAMs in this region are less accessible as a means for identifying harm and less effective at remedying harm relative to the other regions globally. Below we discuss hypotheses as to why this may be happening and various implications of these trends for communities' access to redress from harm and for the state of accountability in international finance.

FIGURE 1. CONCENTRATION OF COMPLAINTS IN THE MENA BY COUNTRY



## LOW COMPLAINT VOLUME

### Comparing Complaint and Project Numbers

The low rate of complaints filed in the MENA has been observed in the field for some time. It was reported in 2015 that “only 3 percent of complaints have been filed from the Middle East and North Africa, despite the large regional portfolios of some IFIs and the IAMS’ own outreach activities.”<sup>7</sup> Seven years later, the MENA continues to have the fewest absolute number of complaints out of any region. Seventy-three complaints have been filed in MENA countries, significantly less than the global average of 195 complaints per region (Figure 2).<sup>8</sup>

One theory as to why there are so few complaints filed in the MENA relative to other regions is that there are also fewer projects about which to complain. A regional breakdown of total IFI-financed projects does in fact show a very similar distribution (Figure 3).

But even accounting for the reduced absolute number of projects, the percentage of projects that have complaints remains lower than any other region (Figure 4).

The global average rate of complaints filed per project is 3.2% (1,258 projects with complaints out of 38,840 estimated projects).<sup>9</sup> South Asia has the highest rate of complaints filed per project at 5.8% (205/3,562). The MENA has the lowest rate of complaints filed per project at 1.9% (58/2,988), though East Asia and Sub-Saharan Africa also have below-average proportions of projects with complaints, at 2.0% (89/4,477) and 2.5% (240/9,586) respectively.

FIGURE 2. COMPLAINTS BY REGION

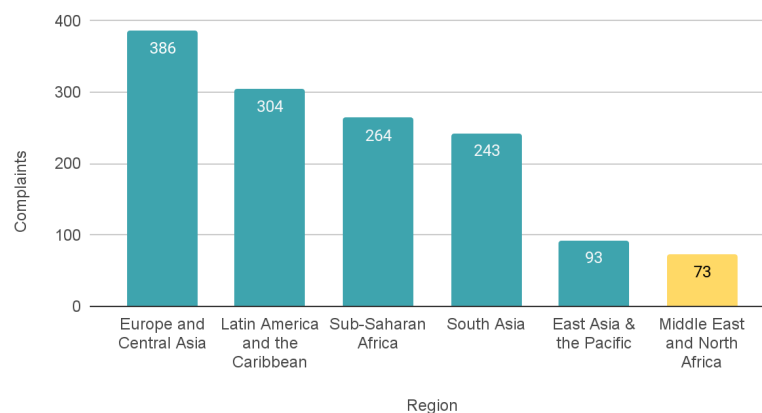


FIGURE 3. PROJECTS BY REGION

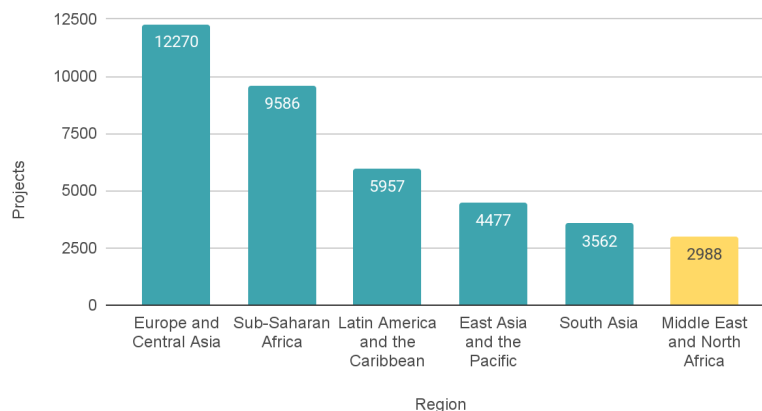
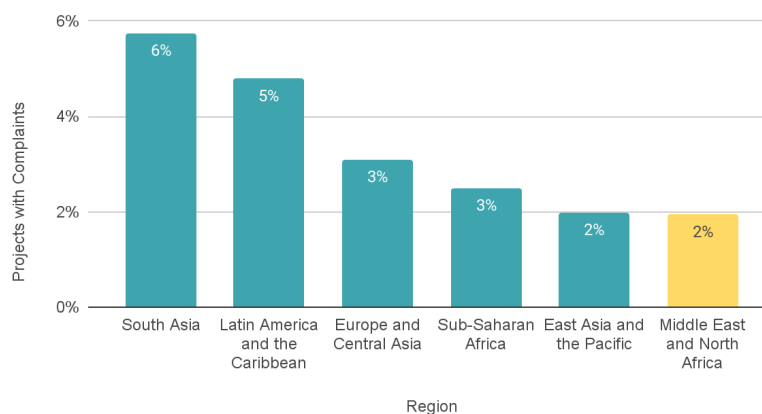


FIGURE 4. PROJECTS WITH COMPLAINTS VS. REGION





## Explaining the Discrepancy

A low rate of complaints filed per project has a number of potential implications worth investigating. One theory is that IFIs are focusing on lower risk investments in the MENA, but this is also unlikely to be the case: the proportion of high risk “Category A” projects (11%) is in fact slightly higher than the global average (9%).<sup>10</sup>

Another possible explanation is that harm from development projects is not occurring, or is less likely to occur, because social and environmental safeguards are better enforced and better adhered to, thus leading to fewer instances of harm. It’s also possible that the MENA has favorable alternatives to the IAM complaint system that are available for raising and addressing harm, such as effective court processes. However, even a cursory regional analysis eliminates both these possibilities; harm is clearly occurring, and few alternative systems of recourse exist.

A more troubling and yet more realistic possibility is that harm is still occurring, but is not being raised due to factors such as barriers to accessibility, limited knowledge of the IAM complaint system, or a weakened civil society that is unwilling or unable to raise concerns about harm for social and political reasons, including a high risk or fear of retaliation. It is notable that the MENA is the only region without a regional bank and associated IAM, which could be influencing the accessibility of IAMs as an effective method for recourse.<sup>11</sup> In an effort to understand which of these theories may help explain both the low absolute and relative complaint volumes observed in the MENA, we have explored these potential implications through our qualitative research with CSOs that have experience filing complaints in the MENA, representatives of IAMs who have experience handling MENA complaints, and existing literature surrounding these topics.

## LOW RATE OF COMPLAINTS REACHING OUTPUTS

### Defining Outputs from IAM Processes

Most IAMs are designed to address complaints through two processes: dispute resolution and compliance review. In dispute resolution, the involved parties voluntarily engage in a mediated dialogue, joint fact finding, or other facilitated process in an effort to reach mutually agreeable solutions to the issues faced by complainants. The parties involved in dispute resolutions vary, but often include the complainants and/or representatives, project company/implementer, investment client, government officials, and bank management. IAM representatives help facilitate the dispute resolution process, including hiring independent mediators. In compliance review, the IAM and selected experts conduct an investigation into whether the bank was compliant with its own social and environmental safeguard policies, which concludes in a public report about the findings of the investigation. Complaints that reach an agreement in dispute resolution or have a public compliance report published in compliance review are considered to have reached an output from the IAM complaint process. It should be noted that reaching an output from an IAM complaint process does not imply any judgment about the merits of those outputs nor does it speak to whether those outputs produced any outcomes or remedy for communities.

### Outputs by Region

The rate of complaints reaching outputs from the complaint process is low everywhere. Globally, fewer than one in five complaints (18.5%) close with an agreement or a published compliance report. MENA complaints face the second lowest rate of outputs by region: only 13% of complaints filed manage to reach an output from this process (Figure 5).

Significant bottlenecks in the IAM process exist, inhibiting complainants from reaching an output.<sup>12</sup> A further look at particular stages of the IAM complaint process can help determine why the rate of outputs in the MENA is so low.

FIGURE 5. RATE OF OUTPUTS BY REGION

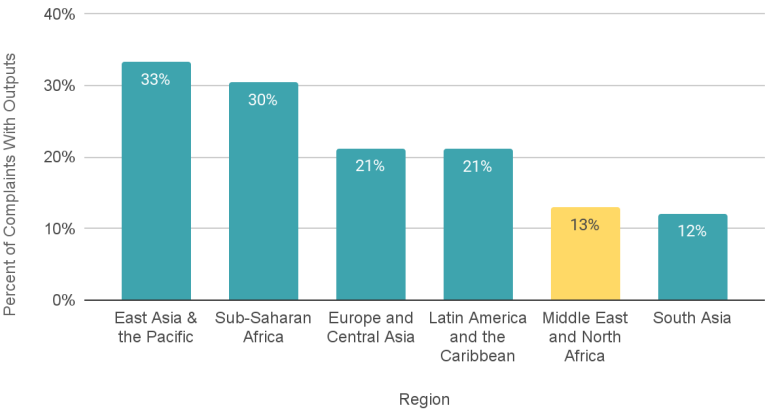


FIGURE 6. ELIGIBLE COMPLAINTS BY REGION

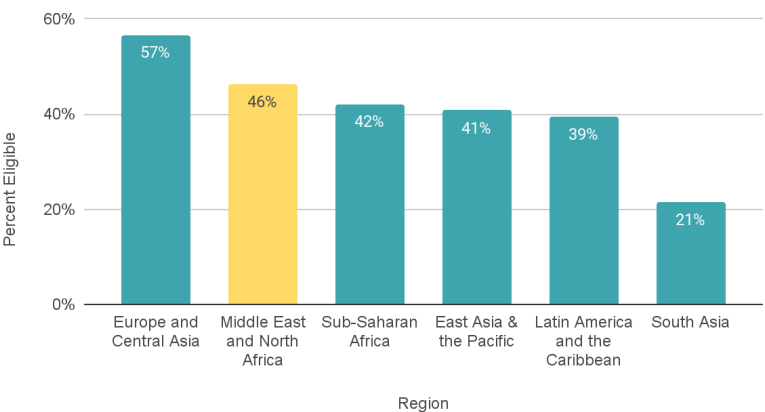
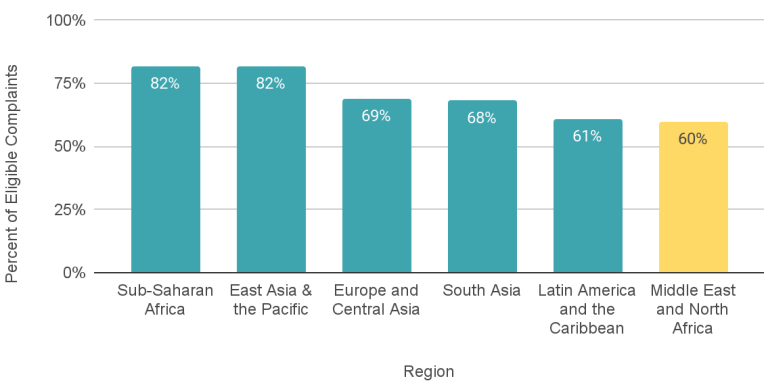


FIGURE 7. ELIGIBLE COMPLAINTS REACHING COMPLIANCE REVIEW OR DISPUTE RESOLUTION



## Preliminary Stages in the Complaint Process

Most IAMs have two preliminary stages, registration and eligibility, that complaints must pass through in order to advance to a substantive phase of the complaint process. Registration is the initial stage of the IAM process, in which the IAM determines whether the complaint meets basic threshold criteria for moving forward. Registration criteria vary by IAM, and is not undertaken by all IAMs. Eligibility assessments determine whether a complaint meets all of the criteria to advance to a substantive phase. Specific eligibility criteria vary by IAM and more than half of all complaints fail to pass through this preliminary stage.<sup>13</sup>

There are valid reasons a complaint may be found ineligible, such as a complaint that raises issues related to procurement or corruption that are outside of the IAM’s mandate. However, past research has also raised questions around some of the decision-making that takes place at this stage. When the eligibility bottleneck was first reported in 2016, 42.5% of complaints were found eligible to proceed past preliminary stages.<sup>14</sup> Today that number is 41.1%. A regional breakdown, however, shows no significant variation in MENA eligibility rates (46.3%) from the global average (Figure 6).

Looking one step further, we start to see significant barriers for MENA complaints to advance past an “eligible” status to actually enter a substantive phase of the complaint process: dispute resolution or compliance review (Figure 7).

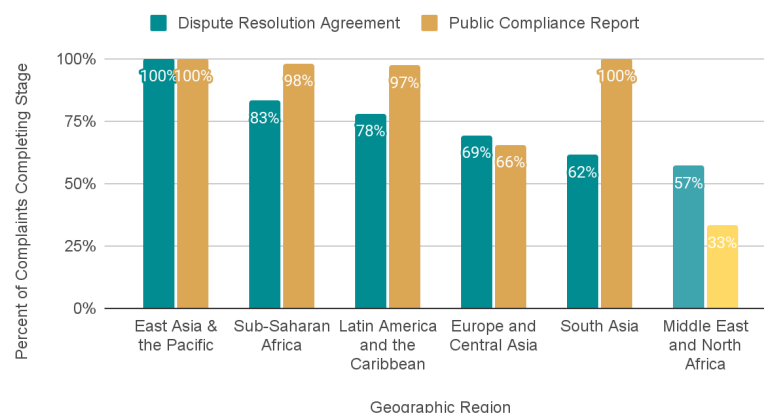
This is a startling and often overlooked deficit.<sup>15</sup> It is generally understood that ineligibility determinations keep many

complainants from effectively accessing these processes, and that complainants that successfully enter a substantive stage do not always exit these processes with outputs.<sup>16</sup> However, the data shows an important intermediate dropoff point, where eligible complaints are not afforded the opportunity to even enter a substantive stage at all. In the MENA, one in three eligible complaints never reaches a substantive stage, the lowest engagement rate of any region in the world. Barriers to eligible complaints entering a substantive stage could be related to particular IAM policies (like requiring Board approval<sup>17</sup>) that prevent substantive stages from being made available, project companies or governments refusing to participate in dispute resolutions<sup>18</sup>, or the mechanism itself deciding that further involvement is unnecessary.<sup>19</sup>

## Substantive Stages in the Complaint Process

In addition to having the lowest rate of eligible complaints reaching a substantive stage, even when a dispute resolution or compliance review is initiated, the rate of outputs from these stages in the MENA remains disproportionately low. On average

FIGURE 8. RATE OF OUTPUTS OF SUBSTANTIVE STAGES



globally, 69% of complaints that reach a dispute resolution stage produce a public agreement, compared to 57% in the MENA. For compliance reviews, the comparison is even more stark: globally 82% of all compliance reviews result in a public compliance report, and 83% of these reports have findings of non-compliance. But in the MENA only 33% of compliance reviews produce a report, with a 66% rate of non-compliance found (Figure 8).

A low rate of outputs from the complaints process has a number of potential implications warranting further attention. These include variance in the ways that different IAMs handle complaints, as well as variance in the ways that complaints are handled within a given IAM. It could also be related to variability in the types of issues raised or the processes undertaken, including the types of actors involved, the power dynamics at play throughout the complaints process, or the engagement of civil society and other actors supporting the complaints process.



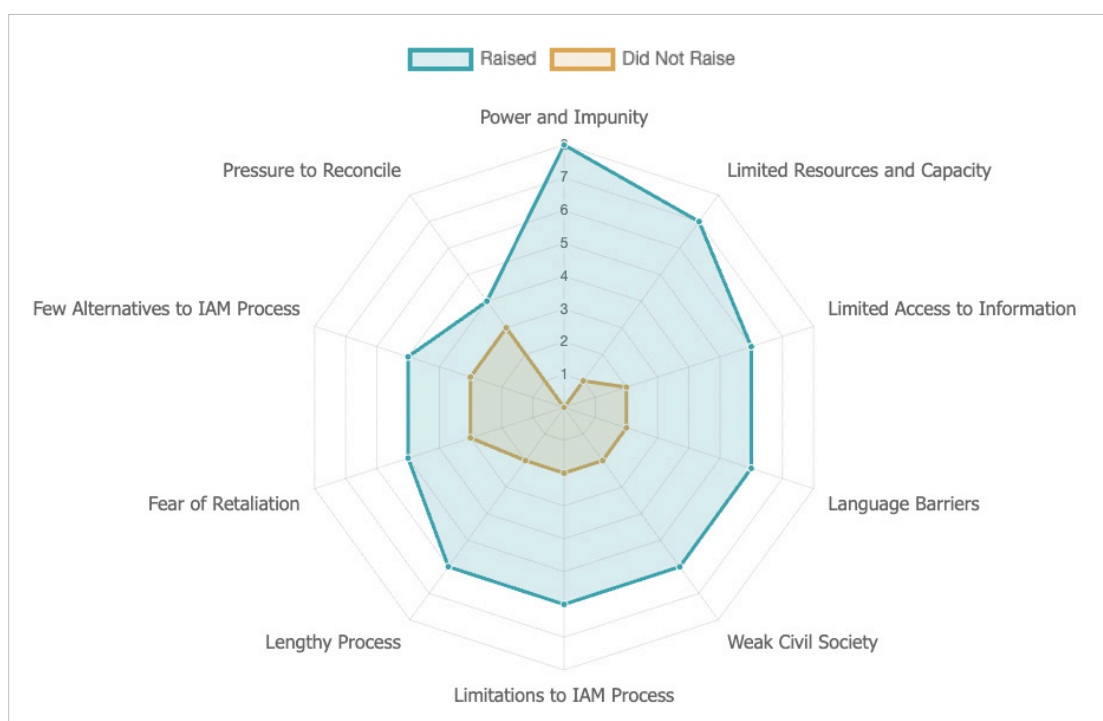
An IFC-financed poultry project displaced rural indigenous farmers in Tiddas, Morocco. After a years-long dispute resolution process, an agreement was reached between the company and local communities, a rare victory for the region. *Credit: Accountability Counsel*

# FINDINGS

There are significant limitations of the IAM process that we have observed, which appear to be impacting both the number of complaints filed and the types of outputs complaints reach from IAM processes in the Middle East and North Africa. Such limitations include language and translation requirements, a lack of prior knowledge of IAMs, extensive time and resources required by communities to engage in the process, the extent of CSO involvement in complaint processes, IAM decision-making authority and operational independence, and deeply imbalanced power dynamics (Figure 9). As noted in *Glass Half Full?*, many of these limitations observed exist everywhere and are not inherent to the MENA.<sup>20</sup>

However, these broad limitations of the IAM process are exacerbated when compounded alongside other factors that are prevalent in the MENA, such as a weakened civil society, political instability, and the high risk of retaliation by the state. Our qualitative data suggests that these issues in the MENA have led to the relatively low number of complaints filed and extremely low rate of outputs from the complaint process. The low rate of outputs may even suppress future complaints from being filed in the region: complaints that go unaddressed by IAMs reduce the perception of efficacy of these processes, and thus fewer communities view IAMs as a way to address harm.

FIGURE 9. ISSUES EXPERIENCED BY CSOS IN THE MENA



The total respondents represented is 8. The issues represented were categorized based on the most commonly raised themes from our qualitative interviews with CSOs. The blue segment represents the sum of responses that raised the corresponding issues. The yellow segment represents the sum of responses that did not raise the corresponding issues.



A few key themes arose during the qualitative interview process with CSOs involved in MENA complaints, which have impacted access to IAMs and ultimately, remedy from harm. Many of the themes are doubtless also experienced by complainants, communities, and advocates across the globe.<sup>21</sup> However, the socio-political contexts in the MENA have amplified the extent and magnitude of many of these issues. The following sections provide an analysis of the main issues faced by CSOs and individuals involved in complaints in the MENA that are limiting the number of complaints filed and causing the low rate of outputs. We have also included recommendations for IFIs and IAMs to address these underlying issues.

## CIVIL SOCIETY IN THE MENA

### Socio-Political Impacts on Civil Society

The socio-political context in the MENA has weakened and suppressed civil society. Fear of retaliation is widespread, and serves as a barrier for communities, project-affected people, and even third party advocates to file complaints.

*“Citizens in the MENA region are treated as if they are worthless. Civil society is weak and suppressed; the state harasses civil society and doesn’t let them play their role independently. Citizens don’t have a way to defend themselves. In order to get support or funding as a CSO, you need to be linked to some group and cannot be independent” (CDRT)*

The framework of IAM processes – involving competing interests, complex power dynamics and nuanced cooperation across parties that have little trust in one another – is made even more challenging in the socio-political context of the MENA. Civil society in the MENA has been suppressed and

weakened as a result of longstanding and ongoing repression, war, retaliation, and corruption.<sup>22</sup>

*“Across the region, the re-emergence of authoritarian regimes in many countries has resulted in a shrinking of civil society space. Crackdowns on political dissent, limited freedom of speech, and an absence of independent media and civil society organizations are commonplace.”<sup>23</sup>*

Because civil society has been suppressed and weakened, the culture of complaint, raising voices against government sponsored projects, can be viewed as an attack on the nation itself.

*“Usually large scale projects in the Middle East are related to this top down policy and planning approach that is intimidating to local communities. I know stories from Egypt and other areas that people really fear opposing the government. For them to reach out to an IAM would be regarded as something really sometimes even criminal” (Group 5).*

This dynamic is exacerbated by IFIs themselves, whereby the transfer of large sums of money to government ministries can be perceived as conferring legitimacy upon those bodies, and therefore any challenge to that financing is perceived as an attack on the legitimacy of the state itself. As such, many people fear organizing against the interests of powerful political actors. There are indications that the high risk of retaliation, be it actual or feared, has suppressed complaints from being filed in the MENA. Harm is likely still occurring, but it is not being raised, resulting in the low number of complaints in the region.

Those that do raise harm by filing complaints face a high risk of retaliation and threat of reprisals. Nearly all of the organizations who did file complaints mentioned that retaliation was of high concern to advocates and community members. One representative of an organization explained that incidents of retaliation against community members

began prior to filing the complaint: “[The community members] told me before submitting the complaint that there were incidents of threatening and violence, quarrels in the street” (EIPR). Another representative from a different organization mentioned a similar experience of threats prior to filing the complaint, followed by the deployment of armed forces after filing the complaint:

*“The day we started voicing our concerns we were met with accusations of treason and working with enemies of the state, which was threatening. We didn’t feel at any point that there was a place to discuss our concerns with the government. After the complaint was filed, security forces and the national army were on site. They intimidated us in many ways, and summoned us for interrogation about our social media posts.”* (Group 4).

Experiences like these, where communities face retaliation prior to formally filing a complaint, are likely suppressing formal complaints from being raised with IAMs.

*“The situation in the country is very harsh. As a human rights organization, I can’t go to the community. Activists are not willing to be loud. The price is very high. People are engaged in their communities and willing to do something, we’re willing to support them, organize for them, but now in the country I don’t think it’s feasible”* (EIPR).

Representatives from civil society groups and communities filing complaints also spoke of instances of reprisals committed by IFIs against them in response to their complaints.

*“The officials of AfDB’s IRM treated us in an impartial and professional manner. However, the representatives of the AfDB in Morocco sided with the company which owned the Project; they considered our organization to be hindering development projects with our work. They even blacklisted us as a result of bringing this complaint”* (CDRT).

**Recommendation:** Both IFIs and IAMs have a responsibility to address reprisal risks. Several IAMs (the IFC’s CAO, the IDB’s MICI, the World Bank’s Inspection Panel, and the GCF’s IRM) have developed guidelines or protocols to address reprisal risks which is a good baseline, but gaps remain and more action is needed at the institutional level. To address these gaps, we recommend the following:

- Adopting zero tolerance policies and adhering to them. In practice, this means not setting a high burden of proof for people experiencing reprisals.
- Exercising leverage to prevent and respond to reprisals. This should include suspending financing when appropriate, in line with responsible exit principles.
- Developing clear guidance, protocols, and procedures on reprisals. The implementation of those guidelines must be considered, and bank and IAM staff should be properly/regularly trained on handling reprisals.

The extent of bank involvement in IAM processes can also play a decisive role in making progress on community concerns by legitimizing supporting organizations to their respective governments. In one case, a group interviewed sent their complaint to bank management prior to filing their complaint with the IAM:

*“The people at the bank and the project team defended us, saying [our organization] has a legitimate role to play. In our part of the world, civil society is not as welcomed; people can go to jail, and that’s a key difference [compared to other regions]. The fact that the bank staff were reminding our governments that [we are] legitimate, and acknowledging that we have a seat at the table was crucial to our success”* (EcoPeaceME).

The interviewee noted that his identity and status significantly impacted his relationship with bank and IAM staff, saying *“I’m a white male with a law degree from a university in DC, and that makes an enormous difference in terms of how bank staff will speak with me, definitely”* (EcoPeaceME).

When financing institutions tied to large-scale development projects use their leverage by making finances contingent on the protection of complainants, they can encourage governments to maintain civil society engagement and decision-making in these projects that impact the lives of their citizens and communities.

*“It’s not just informing civil society of the opportunities, it’s the importance of these IFIs to inform the respective governments that these organizations are legitimate and we will protect their role in raising disputes, and if you try to stop it, we will no longer finance the project”* (EcoPeaceME).

## Resources and Capacity of Civil Society Organizations

In part because of the suppressed and weakened state of civil society in the MENA, CSO capacity to support complaints is hindered; few CSOs exist and those that do are overburdened.

The suppression of civil society in the region at large has also resulted in few established CSOs that operate in the region. “Organized civil society in particular faces challenges due to restrictions put on their ability to register and operate across the region and a general distrust from governments towards NGOs.”<sup>24</sup> We witnessed this happening in real time; in the course of this research, a Palestinian human rights organization we were interviewing was labeled as a terrorist organization by the Israeli state. Their plans to file a complaint have been shelved indefinitely, for fear of further consequences.

Still, even when civil society organizations are granted formal registration to operate, they face

remaining obstacles in being meaningfully involved in development processes, as noted by YOHR:

*“The government does not really deeply acknowledge civil society. They give them a license to operate but don’t really recognize them as partners ... We know that the participation of civil society is very important for not only transparency and rights, but also enhancing the outputs of development--it guarantees the participation of groups being affected by the development because CSOs have the connections to communities and know the needs of communities.”*

The limited number of CSOs available to support complaints has resulted in overburdening, which has severely limited the resources and capacity of existing CSOs, and ultimately resulted in exhaustion. When asked if they would file a complaint again, almost every organization we interviewed answered with a resounding “no”.

*“It took a lot of effort, volunteering, not receiving any money for the whole five years of the process, not even reimbursements for transportation, because the bank can’t fund a company to build a project and fund opposition entities that are complaining about it at the same time. [The IAM] approached us to investigate some issues related to one of their projects, and we said we’re tired. If any other complaint comes across us we won’t take it up because we’re exhausted. Without us, the company would never have imagined that a civil society group could pressure it. The company assumed they would delay, get to the end, and receive the rest of its payments. They didn’t think a civil society group would be able to make it through the whole process. And they were right, other groups can’t do it, and this group is too exhausted to do it again. There needs to be support given to these groups to sustain themselves, especially because these cases take years. We not only*

*worked voluntarily, but also paid expenses, such as transportation costs, for five years from our own pockets” (CDRT).*

*“I would hesitate to file a complaint again. As an NGO, maybe I could do it again, but not on my own. People are expecting results and some kind of redress. I wouldn’t go again to a community that is hurting and say, let’s go make a complaint that will take 7 years” (EIPR).*

Nearly all organizations interviewed agreed that the resources required to effectively and fully engage in IAM complaint processes were unsustainable. Like CDRT, many organizations suggested that support from CSOs is essential, and even with CSO support, the process remains extremely challenging for communities and supporting organizations.

**Recommendation:** To ensure that IAM processes are effective and equitable, banks and IAMs should provide direct funding to complainants and their advocates to engage in IAM complaint processes. To operationalize this, we recommend:

- Providing direct funding upfront to communities and advocates involved in IAM processes. Banks and IAMs should have dedicated budget line items to pay for experts (e.g., an E&S expert to conduct fact-finding), transportation (e.g., fares required to attend meetings), meeting fees, and technology required for communication (e.g., phones, SIM cards).

Several IAMs have included complainant funding provisions in their policies. For example, the AfDB’s IRM recently added a policy about covering the costs of participation, stating the IRM will bear all costs of engaging in dispute resolution, compliance review, or monitoring processes in order to ensure meaningful participation.<sup>25</sup> This is understood to include costs such as travel, meeting fees, studies, and required technology. The GCF’s IRM policy also

includes a provision on the costs of participation through reimbursement and defrayment of costs: “The way that [provision] translates to actual change on the ground is that if someone is a single mother who has to find child care, we can reimburse those costs, as well as travel, meals, etc. The costs can also be defrayed, for example if they need to spend money on a lawyer; the IRM is open to a broad interpretation of this provision” (GCF IRM). Additionally, some grievance mechanisms and National Contact Points (NCPs) also cover complainant costs.<sup>26</sup>

**Complaints that are supported by international CSOs are more likely to reach an agreement or complete a compliance review. Few international CSOs operate in the region, exacerbating the low rate of complaint outcomes in the MENA.**

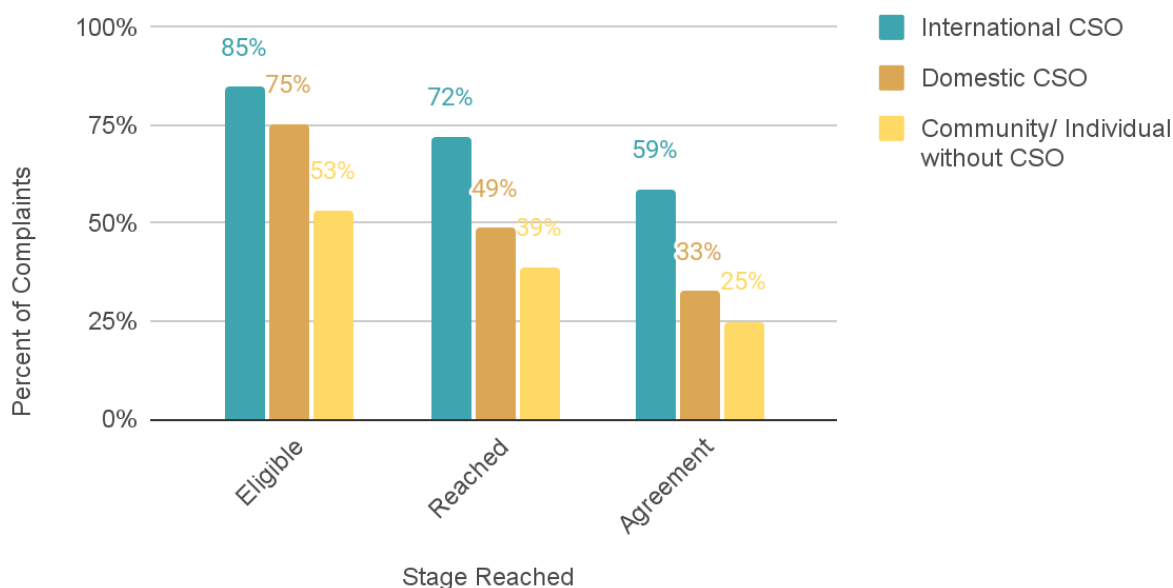
Global trends in complaints filed to IAMs show that the likelihood of success increases dramatically with CSO involvement, and that the type of CSO (international, domestic, or local) involved also matters. 59% of complaints with international CSO involvement reached outputs, compared with 33% of complaints with domestic or local CSO involvement. Only 25% of complaints without any CSO involvement reached outputs (Figure 10).

It appears that successful outputs from IAM complaint processes are, in part, predicated on the involvement of international CSOs. IAM complaint processes are designed to provide an opportunity for communities harmed by development finance and international investments to have their concerns addressed and receive remedy for harm. This finding indicates that there are significant barriers and limitations to communities without CSO support, which prevent both equal access to IAM complaint processes and equal opportunities to reach remedy from harm. These barriers to accessibility have led to inequity of outputs from IAM complaint processes.

There is only one international CSO (ICSO) known to be involved in the filing or supporting



FIGURE 10. CSO INVOLVEMENT IN COMPLAINTS



of complaints in the MENA. This organization is also the only ICSO with a regional office located in the MENA. The lack of ICSOs operating in the MENA suggests that this is a contributing factor to the lower success rates of complaints in the MENA. One IAM representative we spoke with mentioned that the limited number of ICSOs, coupled with the low availability of regional, national, or local CSOs, has contributed to the small number of complaints filed in the region:

*“In general there is less attention from international CSOs. There is less contribution and availability of CSOs and ICSOs in the MENA; there may be a language barrier and a lack of people to connect to on the ground. They are more present in other regions (even associations or smaller groups) and are more active in Europe and other regions” (EIB CM).*

The impact of ICSOs on complaints reaching outcomes from IAM processes, coupled with the limited number of ICSOs that operate in the MENA, suggest that this has contributed to the much lower rate of complaints reaching outputs.

**Recommendation:** Communities should be well resourced to engage in IAM processes, regardless of the type and extent of CSO support. To ensure accessibility of IAM processes and outcomes, we recommend:

- Identifying and mitigating aspects of the complaint process that require CSO involvement to achieve outcomes.
- Providing direct funding for communities and local advocates, as mentioned above.

**The resources and capacity required to effectively engage in IAM processes are extensive everywhere, but are made especially difficult in the MENA.**

The average length of a complaint is 286 days; the average length of complaints in the MENA is 394 days. This added burden of time extends to all stages of the process except for dispute resolution.

The length of the process and resources required to engage, combined with a weakened civil society and low CSO capacity makes IAM processes especially difficult in the MENA. 86% of organizations interviewed reported that the time and resources required to engage in the IAM

TABLE 1. AVERAGE LENGTHS OF COMPLAINT STAGES, GLOBALLY AND IN THE MENA<sup>27</sup>

STAGE	AVERAGE LENGTH GLOBALLY (DAYS)	AVERAGE LENGTH IN MENA (DAYS)
Registration <sup>28</sup>	20, n=1213	21, n=52
Eligibility	89, n=929	132, n=54
Dispute Resolution	424, n=131	184, n=8
Dispute Resolution with Outputs	487, n=84	250, n=4
Compliance Review	415, n=222	529, n=9
Compliance Review with Outputs	444, n=182	652, n=3

process were not sustainable and did not match the expectations of engagement prior to filing a complaint. One organization mentioned that *“There’s not an expectation from the mechanisms for a lot of preparation and documentation, but that is needed in order to be a successful case”* (Group 9). Another organization reflected that *“Before, these processes were reasonable, but now they are more complex, to the extent that they require specialized CSOs that know how to conduct a complaint. [Existing CSOs] need training in order to engage”* (YOHR).

**Recommendation:** In order to address the extensive resources and capacity required to engage in IAM processes, we recommend:

- Setting realistic expectations of the time and resources required to engage in IAM processes. This includes informing complainants of the expected time frame of the process so that they can make an informed decision about taking on a complaint.
- Providing direct funding for communities and local advocates, as mentioned above.

## ACCESSIBILITY OF IAMs IN THE MENA

### Knowledge of processes

**Knowledge of IAMs and the IAM process is low, which has resulted in few complaints.**

Knowledge of IAMs and the complaint process, including how to effectively file a complaint, what types of issues fall within the remit of an IAM, what processes are available, and the time, resources, and expectations of going through a complaint process, is essential for communities and their advocates to be able to effectively utilize these mechanisms.

70% of interviewees reported that they had no prior knowledge of the IAM complaint process before filing a complaint. Those who did have prior knowledge of the existence of IAMs still had no direct experience filing a complaint. It is likely that low knowledge of IAMs has limited the number of complaints filed, exacerbated by the fact that no IFIs are based in or near the MENA. As such, there is a strong

need for increased outreach to communities and advocates in the region about the IAM complaint process and procedures.

**Recommendation:** Banks, IAMs, and clients need to ensure that project-affected communities are aware of IAMs, including what they do and how to use them. To operationalize this, we recommend the following:

- Having clear IAM policy mandates to conduct outreach.
- Updating bank safeguard policies to require both the bank and the client to notify project-affected communities of the bank's IAM.

## Language barriers

Language barriers such as IAM policies requiring complainants to file in English or the country's official language, as well as a lack of translation and language capacity within IAMs, have burdened communities.

While eight out of 12 active IAMs accept complaints filed in any language, the other four (representing 42% of all complaints filed in the MENA) do not.<sup>29</sup> In some of those cases, the IAM requires the complaint to be filed in the country's official language, or an official language of the region. In other cases, the complaint must be filed in an official language of the bank itself, or in English. IAM policies on language requirements such as these inhibit the accessibility of IAMs to communities and CSOs. Even where IAM policies state that complaints can be filed in any language, communities may still face language barriers in day-to-day communication with the IAM.

One organization we spoke with reported that *"We were asked [to submit] our list of complaints in English, because the head of the IAM did not speak Arabic, they needed them in English and we had to work to translate the complaints"* (CDRT). Another filer who spoke English reflected,

*"It was very easy for me, speaking some English, to reach out to a process like this, but that's not the same for everybody here [in the MENA]. If there was a version of the process in the local language, that would help a lot"* (Group 7).

Since there are no IAMs that are based in the MENA, and no IAMs operate internally in Arabic, many communities and advocates filing complaints to IAMs face a heightened challenge of language barriers. Often, the burden of translation falls on the communities themselves or their advocates: *"In particular for Arabic, [the IAM] just didn't have capacity in the region and language, and they relied more so on local NGOs to do the back and forth communication"* (Group 9). Relying on local CSOs and NGOs to handle the day-to-day communication between parties involved in IAM complaint processes can be a burden to communities fighting for justice, particularly when coupled with limited capacity and resources of civil society groups in the region.

**Recommendation:** To ensure accessibility, IAMs should reduce language and translation burdens of IAM processes by improving local language capacity. To operationalize this, we recommend IAMs employ local processes when operating in a region by:

- Permitting complaints in the preferred language of the complainant and having a corresponding budget to adequately engage in that language, including through translations of all relevant documents, interpreters for in-person and virtual meetings, etc.
- Translating accessible materials explaining the complaint process into the local language (written and audio-visual);
- Hiring local consultants with input from the complainants in order to ensure trust and confidence, and avoid conflicts of interest (including facilitators and mediators); and,

- Engaging high quality translators (not employees of the bank) and striving to use their services over an extended period to build technical knowledge and ensure consistent terminology.

**Project documents not being disclosed, translated, or fully accessible has resulted in communities lacking information about projects and has furthered gaps in accessibility of IAMs.**

IAMs and banks sometimes only provide relevant documents in English, or don't make these documents publicly accessible. One organization we spoke with noted that *"It took ten years to get documents that should have been disclosed before the project was funded"* (EIPR). Though these are not barriers specific to the MENA alone, low internet access as well as limited website language availability also prove to be barriers to access for communities. One representative of an IAM described how even when Arabic documents are available, communities must access them through an English website.

Getting documents translated and publicly available in Arabic is important; for it to be meaningful, the documents must also be accessible. Translating online resources and websites in a culturally appropriate context and design is an important aspect of ensuring accessibility of materials. Many communities will never be able to access these documents or materials online, no matter what language the website is in, so they must also be made available in other formats. Every organization we spoke with mentioned that language and access to information proved to be (or would have been, for those that spoke English fluently) significant barriers to the IAM complaints process.

**Recommendation:** To ensure accessibility, all resources and materials should be translated and designed appropriately in local contexts. To operationalize this, we recommend the following:

- Translating and designing all online resources and websites appropriately in local contexts. This includes hiring local consultants to translate and design culturally appropriate websites (including page design, page orientation, etc.);
- Making all online materials and resources available to directly impacted communities in other ways, including through non-technical summaries distributed at local project sites, etc.

## Consultation and disclosure

**Consultation and disclosure are among the most prevalent issues faced globally, and their absence threatens community-led development.**

Consultation and disclosure issues are most notably related to communities never being informed about the project, not being included or consulted about the project and its details, or not being invited to meaningfully engage in project design. It is the most commonly raised issue in complaints to all IAMs.<sup>30</sup> Meaningful consultation is imperative to sustainable, community-led development and is historically challenging for project companies and sponsors to implement. One organization interviewed mentioned that access to consultation itself was limited by the way that it was structured, explaining that *"The company announced about the consultation [meetings] in a column of a newspaper that no one reads, so no one showed up"* (Group 5).

Another organization underscored the importance of governments in realizing civil society as partners in development:

*"The government does not really deeply acknowledge civil society. They give them a license to operate but don't really recognize them as partners"* (YOHR).

**Recommendation:** IFIs and clients should adopt best practices for ensuring consultation



is done meaningfully. To operationalize this, we recommend the following:

- Engaging stakeholders and project-affected peoples early on, prior to project details being solidified.
- Providing information on consultation opportunities and disclosure of project information in advance, and adapting it to the local context of a given project site.
- Ensuring consultation and disclosure requirements are met, including Free Prior and Informed Consent (FPIC).

## BANK AND IAM STRUCTURE

### IAM Independence

**Bank and IAM policies impede IAM independence. In the MENA, political interests exacerbate many of these inherent issues.**

The entanglement of IAMs with their respective IFI can be an impediment for true IAM independence. Many IAMs have policies to mitigate these structural independence issues, such as enforcing restrictions for IAM staff on prior employment at institutions, or granting IAM authority of eligibility determinations or decisions to investigate compliance issues. Even so, independence can remain a challenge and each IAM has differing policies.

The World Bank's Inspection Panel, is one of four IAMs that do not have full independence in decisions to conduct a compliance investigation: the Panel can recommend an investigation but ultimately the decision to investigate must be approved by the World Bank's Board.<sup>31</sup> In the MENA, the Inspection Panel has never conducted an investigation, despite receiving 7 complaints, of which 5 were deemed technically eligible. In three of these instances, the Panel itself did

not recommend an investigation, but in the two other instances, the Panel recommended an investigation but the Board did not approve it, choosing instead to delay the decision and granting management time to make progress on the concerns raised. In one of the instances where the Panel did not recommend investigating, a representative of the organization filing the complaint pointed to how competing political interests impacted the decision:

*"What was disappointing was that the Panel was not politically conscious of the context [in the region]. They decided to meet with the head of this public research institution who was politically appointed by one of the parties benefiting from the dams. He – in turn – told the IAM : 'The project is good'. The Panel then used his position as a solid argument against us, and told us that our complaint was not valid anymore. Moreover, members of the Panel met politicians in the government without being aware of the interests of these people. That was shocking to us, and we actually found out about it later in our discussions with the Inspection Panel. The Inspection Panel was not operating independently of the WB at all" (Group 5).*

While requiring IFI Board approval to conduct an investigation is not just an issue in the MENA, it may be of particular concern given implications of political interests at play here. *"The board members at the World Bank, responsible for the MENA region, are very entrenched. Local board members are not huge supporters of the Inspection Panel as a process. They particularly value efficiency and the business and financial side of things when complaints that are brought delay projects and cause reputational risks to the institution" (Group 9).*

Internal incentives within IFIs are also problematic. Some groups interviewed reflected that career advancement within IFIs is often directly tied to

project volume, with little or no consideration given to adverse effects of projects on local communities. Without effective IAM independence, bank staff can fatally undermine complaint processes in order to advance their own interests. The need for Board approval to conduct an investigation<sup>32</sup> referenced above, or the presence of IAM staff who previously worked for the institution,<sup>33</sup> can create the impression of IAMs being beholden to their parent institutions. One interviewee whose complaint went uninvestigated by an IAM reflected on how the lack of IAM independence and poor incentive structures within the bank worked against community interests:

*“We felt the IAM secretary and staff were working in close coordination with [bank] management... The bank had its own incentives to continue with the project, be it personal career incentives [or the like]. Some staff were working on the project for years, some were promoted after working on this project” (Group 5).*

**Recommendation:** In order to function well, IAMs must be independent of financial institutions. To ensure IAM independence, we recommend:

- Granting IAMs the sole authority, without need of Board approval, to determine whether to conduct a compliance investigation.
- Ensuring IAM staff are fully independent from the financial institution and are free from conflicts of interest. This includes policies such as pre-employment cooling-off periods for bank staff who want to work for the IAM, and post-employment bans (for IAM leadership) or cooling-off periods (for other IAM staff) after working at the IAM.
- Enforcing disclosure and recusal in the event that a member of the mechanism or a consultant has a conflict of interest in regard to a particular complaint.

## Leverage Points

**Leverage points for the IAM are weak, and leverage points for the bank are underutilized. As a result, agreements and findings of non-compliance can often result in no real outcomes for communities.**

Findings of non-compliance from compliance reviews by the IAM are often non-binding and may not result in any meaningful changes. There is no independent body within the IAM to require the bank to create action plans that address every area of non-compliance and, while some IAMs have monitoring mandates, the implementation of action plans created by bank management ultimately remains the responsibility of the IFI alone. Where leverage does exist between the bank and the client or implementer (through the Board, bank management, or contractual rights and obligations of funding agreements), there are no incentives to utilize this leverage to require the implementation of action plans or commitments.

Oftentimes, the remediation of findings of non-compliance relies on the bank acting in good faith. One organization interviewed reflected that *“Even though the investigation was a direct result of the complaint, the proposed solutions were non obligatory decisions. The bank could implement them or not implement them”* (YOHR). Another organization interviewed reported that despite the bank producing action plans on how they would rectify findings of non-compliance, progress on the crucial issues was not being made: *“[Bank management] made a lot of action plans, but the important things are constantly being postponed”* (EIPR). As evidenced in the above examples, the weak leverage of the IAM and the underutilized leverage of the bank often leaves communities with no real outcomes, and no meaningful improvements.

Another debilitating limitation of the IAM process is that it can hinge on an active funding

relationship between the bank and the client. Regardless of harm caused, once that financial link is broken, bank or IAM leverage over the client and/or project implementers is further weakened if not lost entirely. Occasionally, the bank will completely divest in the project, ending the funding relationship and recusing itself of any responsibility for harm caused by having invested in the project. Without a financial link between the IFI and the project causing harm, the entire IAM complaints process for accountability can collapse.

This exact scenario happened recently in the MENA when the IFC divested from the Alexandria Cement Project in Egypt in 2019 after 9 years of investment and a 5 year complaint process. Despite the Compliance Advisor Ombudsman (CAO) reporting 12 distinct findings of non-compliance on all of the issues raised by complainants, the IFC's divestment leaves the harmed communities with little hope for remedy.

*"Now that the IFC is divesting, there will be no leverage to push the company and everything will have to be done voluntarily. Before divestment I thought there would be an impact. Now I'm not so sure" (EIPR).*

These findings of non-compliance are relying on good faith, and given the IFIs' track record on implementation, achieving any real outcomes for communities appears highly unlikely.

Withholding disbursements to the client can be an important leverage point to ensure findings of non-compliance and agreements are enforced. In one complaint in the MENA, withholding project payment acted as a key pressure point that led to progress on remedying instances of harm.

*"The Bank kept a percentage of the final payment to the company until the project was completed, and told the company they aren't able to pay them until they fix what they have damaged. Time could*

*have been shortened if the bank had used the card of withholding payment to the company earlier on rather than waiting until the end of the project" (CDRT).*

Withholding payments early in the complaint process could help reduce the time required to make progress on remedy, and mitigate the risk of further harm occurring during the initial stages of a complaint.

**Recommendation:** IAMs and IFIs have a responsibility to ensure that findings of non-compliance are addressed, and agreements are implemented, resulting in real remedy for communities. To operationalize this, we recommend:

- Outlining explicit IAM mandates to recommend and enforce remedy.
- Conditioning new funding from IFIs on the provision of remedy for prior harm, as verified by the communities. This includes country-level funding, in the case of public institutions.
- Withholding IFI project payments and disbursement of funds once a complaint is filed, and during ongoing complaints.
- Establishing a reserve remedy fund at each IFI, and including remedy in the planning process for every potentially harmful project.<sup>34</sup>
- Requiring banks and their clients to engage in IAM processes.
- Consulting affected communities in the event of divestment to develop a plan to mitigate adverse impacts and address ongoing environmental and social issues after divestment occurs. Institutions should be required to publicly report on divestment, as well as measures it took to use its leverage to try to bring about remedy.<sup>35</sup>

## Power, Impunity and State Authority

The power dynamics at play between complainants, project implementers, state actors, and bank and IAM representatives are uneven. In the MENA, impunity and state authority skews this dynamic even further.

Power dynamics between actors involved in complaint processes are one of the most challenging aspects of navigating IAM complaints. These challenges are particularly evident in substantive stages like dispute resolution but also throughout other stages such as eligibility and pre-eligibility assessment phases and information gathering processes. As is the case in every other region, communities harmed by IFI-sponsored projects are often impoverished (which is exacerbated by the very projects they are seeking to raise concerns about), face language barriers, and lack access to technology.

Communities often rely on types of information that are viewed as less valid or reliable compared to the expert- and data-centered approach of bank officials, state actors, and even IAMs. In the complaints process, these differences can entrench existing power imbalances. In the MENA where state authority and impunity is such that citizens fear for their lives if they speak out about or appear to be in opposition to the interests of the state/government, power imbalances are intensified. In one complaint, the organization involved recounted that prior to filing the complaint, initial meetings called by local authorities accomplished little and only served to increase tensions. Company representatives refused to attend, and the civil society groups invited to participate did so on behalf of the company, rather than the community.

*“The head of the company has massive authority in the government and state, and they did not show up to the first or second meeting that the local authorities called. The local authority representative said that they*

*cannot pressure this large company that builds every highway in Morocco” (CDRT).*

*“The company and the state are all part of the same group and have the same interests. The bank’s interest is in not having problems with the implementing company, and the state’s interest is in implementing the project as quickly as possible; they don’t care if there is some harm done in some communities” (CDRT).*

**Recommendation:** To mitigate existing power imbalances in IAM complaint processes, we recommend:

- Training mediators in adapting traditional mediation styles to account for power imbalances.
- Preparing complainants on effective engagement in IAM processes (not at their own expense).
- Adopting a broader conceptualization of evidence in complaint processes, that accounts for local systems of knowledge acquisition and distribution.



# RECOMMENDATIONS

## CIVIL SOCIETY IN THE MENA

IFIs and IAMs have a responsibility to adequately address and mitigate harm related to their activities. Several issues related to civil society in the MENA, such as high risk of reprisals and retaliation and limited resources and capacity of communities and CSOs, must be adequately addressed and mitigated by IFIs and IAMs alike.

TOPIC	RECOMMENDATIONS
<b>Address and mitigate reprisal risks through guidance, protocols, and training</b>	<ul style="list-style-type: none"><li>• Adopting zero tolerance policies and adhering to them. In practice, this means not setting a high burden of proof for people experiencing reprisals.</li><li>• Exercising leverage to prevent and respond to reprisals. This should include suspending financing when appropriate, in line with responsible exit principles.</li><li>• Developing clear guidance, protocols, and procedures on reprisals. The implementation of those guidelines must be considered, and bank and IAM staff should be properly/regularly trained on handling reprisals.</li></ul>
<b>Ensure IAM processes are effective and equitable by providing direct funding to communities</b>	<ul style="list-style-type: none"><li>• Providing direct funding upfront to communities and advocates involved in IAM processes. Banks and IAMs should have dedicated budget line items to pay for experts (e.g., an E&amp;S expert to conduct fact-finding), transportation (e.g., fares required to attend meetings), meeting fees, and technology required for communication (e.g., phones, SIM cards).</li><li>• Identifying and mitigating aspects of the complaint process that require CSO involvement to achieve outcomes.</li></ul>
<b>Address resources and capacity requirements by setting expectations and providing funding</b>	<ul style="list-style-type: none"><li>• Setting realistic expectations of the time and resources required to engage in IAM processes. This includes informing complainants of the expected time frame of the process so that they can make an informed decision about taking on a complaint.</li><li>• Providing direct funding for communities and local advocates, as mentioned above.</li></ul>

## ACCESSIBILITY OF IAMS IN THE MENA

To function well, IAMS need to be accessible to project-affected communities.

Accessibility issues that remain in the MENA, such as knowledge gaps, language barriers, translation issues, and inadequate consultation, must be adequately addressed by IFIs and IAMS.

TOPIC	RECOMMENDATIONS
<b>Address knowledge gaps of Bank activities and IAM processes through outreach activities</b>	<ul style="list-style-type: none"> <li>• Having clear IAM policy mandates to conduct outreach.</li> <li>• Updating bank safeguard policies to require both the bank and the client to notify project-affected communities of the bank's IAM.</li> </ul>
<b>Improve language and translation of IAM processes with local language capacity</b>	<ul style="list-style-type: none"> <li>• Permitting complaints in the preferred language of the complainant and having a corresponding budget to adequately engage in that language, including through translations of all relevant documents, interpreters for in-person and virtual meetings, etc.</li> <li>• Translating accessible materials explaining the complaint process into the local language (written and audio-visual);</li> <li>• Hiring local consultants with input from the complainants in order to ensure trust and confidence, and avoid conflicts of interest (including facilitators and mediators); and,</li> <li>• Engaging high quality translators (not employees of the bank) and striving to use their services over an extended period to build technical knowledge and ensure consistent terminology.</li> </ul>
<b>Improve access to Bank and IAM materials in local contexts</b>	<ul style="list-style-type: none"> <li>• Translating and designing all online resources and websites appropriately in local contexts. This includes hiring local consultants to translate and design culturally appropriate websites (including page design, page orientation, etc.);</li> <li>• Making all online materials and resources available to directly impacted communities in other ways, including through non-technical summaries distributed at local project sites, etc.</li> </ul>
<b>Ensure communities are involved in decision-making processes through appropriate consultation</b>	<ul style="list-style-type: none"> <li>• Engaging stakeholders and project-affected peoples early on, prior to project details being solidified.</li> <li>• Providing information on consultation opportunities and disclosure of project information in advance, and adapting it to the local context of a given project site.</li> <li>• Ensuring consultation and disclosure requirements are met, including Free Prior and Informed Consent (FPIC).</li> </ul>

## BANK AND IAM STRUCTURE

To function well, IAMs must be independent of their financial institutions.

TOPIC	RECOMMENDATIONS
<b>Ensure IAM independence by adopting best policies and practices</b>	<ul style="list-style-type: none"> <li>• Granting IAMs the sole authority, without need of Board approval, to determine whether to conduct a compliance investigation.</li> <li>• Ensuring IAM staff are fully independent from the financial institution and are free from conflicts of interest. This includes policies such as pre-employment cooling-off periods for bank staff who want to work for the IAM, and post-employment bans (for IAM leadership) or cooling-off periods (for other IAM staff) after working at the IAM.</li> <li>• Enforcing disclosure and recusal in the event that a member of the mechanism or a consultant has a conflict of interest in regard to a particular complaint.</li> </ul>
<b>Ensure communities can access material remedy from harm</b>	<ul style="list-style-type: none"> <li>• Outlining explicit IAM mandates to recommend and enforce remedy.</li> <li>• Conditioning new funding from IFIs on the provision of remedy for prior harm, as verified by the communities. This includes country-level funding, in the case of public institutions.</li> <li>• Withholding IFI project payments and disbursement of funds once a complaint is filed, and during ongoing complaints.</li> <li>• Establishing a reserve remedy fund at each IFI, and including remedy in the planning process for every potentially harmful project.<sup>36</sup></li> <li>• Requiring banks and their clients to engage in IAM processes.</li> <li>• Consulting affected communities in the event of divestment to develop a plan to mitigate adverse impacts and address ongoing environmental and social issues after divestment occurs. Institutions should be required to publicly report on divestment, as well as measures it took to use its leverage to try to bring about remedy.<sup>37</sup></li> </ul>
<b>Mitigate existing power imbalances in IAM complaint processes</b>	<ul style="list-style-type: none"> <li>• Training mediators in adapting traditional mediation styles to account for power imbalances.</li> <li>• Preparing complainants on effective engagement in IAM processes (not at their own expense).</li> <li>• Adopting a broader conceptualization of evidence in complaint processes, that accounts for local systems of knowledge acquisition and distribution.</li> </ul>

# CONCLUSION

From the earliest days of this research project, no one we spoke to was surprised to hear of an accountability gap in the Middle East and North Africa. Many took it as a given that the culture or disposition of the region was somehow incompatible with effective engagement with the systems designed to support and protect them. Those that did not lay blame at the feet of affected communities attributed the deficit to systems of state power and control, wherein short-sighted and all-controlling despots kept community voices silenced and cowed through the heavy-handed wielding of the state security apparatus. A certain *what can you do* fatalism was a common reaction to deficiencies beyond our reach, lying squarely at the feet of unreachable and incomprehensible others.

The research presented above paints a more nuanced picture, where multiple actors, structures, financial flows, and incentives share in a complex web of responsibility and complicity. Language, accessibility, and other barriers prevent communities from reaching out to accountability mechanisms when facing harm. Those few that enter the process are overwhelmed and under-resourced, with little consideration given to their safety from retaliation and retribution. Governments and large regional corporations receive billions of dollars in financing with little consideration for their past human rights abuses. Few expectations are raised — and no penalties are levied — about the absence of meaningful community consultation and disclosure. Due diligence and informed consent are often perceived by IFI clients as little more than an impediment to receiving much-needed funding.

IAMs attempting to support communities through these multi-year processes are understaffed, underfunded, and lack the leverage or authority to compel remedial action. Their associated financial institutions have little incentive or inclination to use the formidable leverage they do have.

These obstacles demonstrate not the uniqueness of accessibility barriers in the MENA, but their very ubiquity. The issues and limitations of the IAM process that are faced by communities in the MENA are similar to those around the world; here they are simply more acute.

Therefore, it is hardly surprising that complainants we spoke to are exhausted by the process, and frustrated with the results. Many organizations claimed that they would not file another complaint because the process took too long, was too intensive, and did not produce any real remedy for harmed communities. These structural deficits are overdue for significant improvement and overhaul.

Financial institutions must address knowledge and language barriers across the region, improve early access to project and IAM materials, and ensure that communities are partners in early and regular consultation.

IAMs must do more to mitigate power imbalances that skew and derail complaint processes. Part of this can be accomplished with direct support for complainants to sustain a multi-year complaint process without undue financial hardship. IAMs require significantly more authority, independence, capacity, and resourcing to accomplish this.

Civil society also has a critical role to play, in supporting harmed communities but also in developing a better understanding of current structural barriers and the means by which they may be mitigated. Future research on the access to remedy, the role of international CSO support for complainants, and several other topics are needed to properly understand and address these problems. A system that provides meaningful remedy feels far away, but with the right advocacy, information, and community support, it is within reach.



# APPENDIX

## APPENDIX A: INTERVIEWED COMPLAINANTS

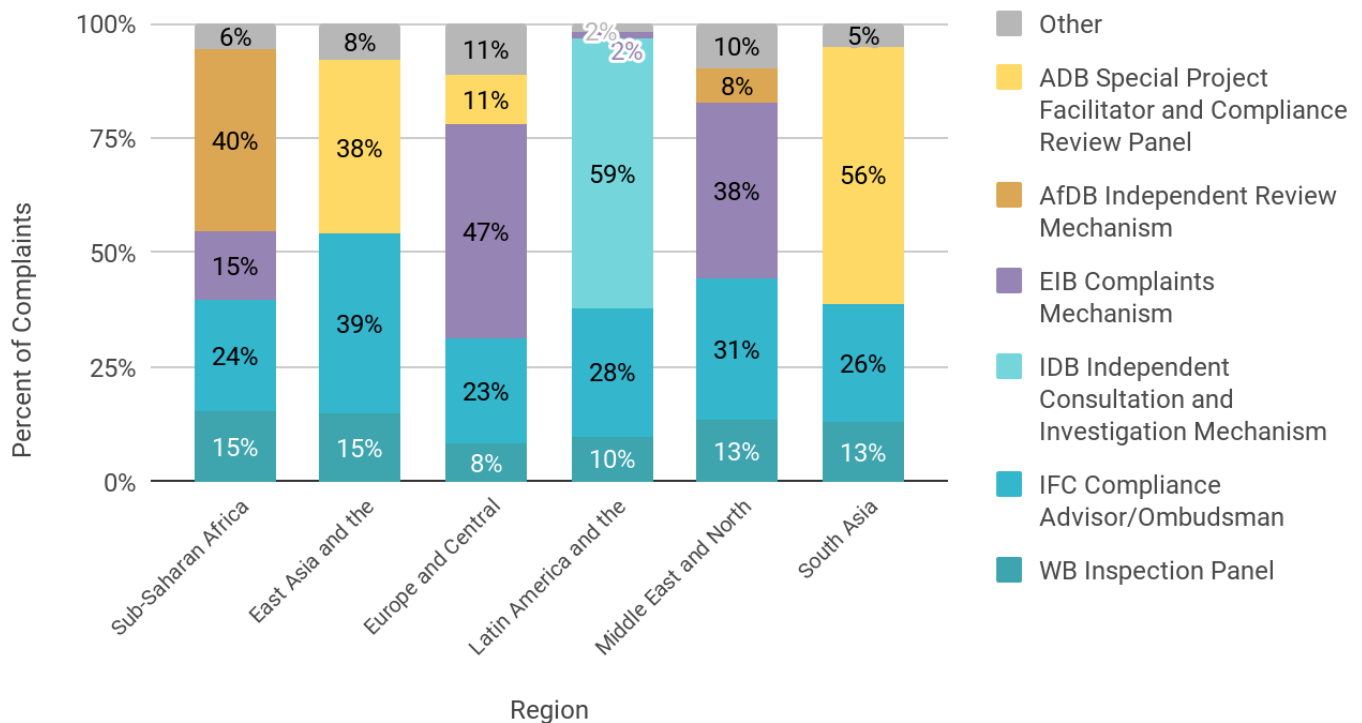
NAME	ATTRIBUTION	ORGANIZATION TYPE	COUNTRY
<b>Egyptian Initiative for Personal Rights</b>	EIPR	Local CSO	Egypt
<b>Yemen Observatory for Human Rights</b>	YOHR	Local CSO	Yemen
<b>Center for Development in the Region of Tensift</b>	CDRT	Local CSO	Morocco
<b>EcoPeace Middle East</b>	EcoPeaceME	Regional CSO	Israel/Palestine
<b>Anonymous</b>	Group 5	Local CSO	Lebanon
<b>Anonymous</b>	Group 6	Regional CSO	Egypt
<b>Anonymous</b>	Group 7	Individual	Morocco
<b>Anonymous</b>	Group 8	Local CSO	Palestine
<b>Anonymous</b>	Group 9	International CSO	United States

## APPENDIX B:

### REGIONAL BANKS AND ASSOCIATED IAMs

Most regions have a regional development bank with an IAM, such as (e.g., the Inter-American Development Bank (IDB) and its IAM, the Independent Consultation and Investigation Mechanism (MICI) operate in Latin America and the Caribbean). The MENA is the only region without a dedicated regional bank and IAM.<sup>38</sup> The below chart shows the distribution of complaints filed to IAMs within each region:

IAM DISTRIBUTION BY REGION, SELECTED IAMs



Where regional banks and IAMs exist, they typically receive the majority of complaints filed for a given region. Regional banks' IAMs receive on average 48% of the total volume of complaints filed. In the MENA, the majority of complaints are filed to the EIB CM (38% of the total volume) and the IFC CAO (31%), both of which handle a significant proportion of complaints in other regions.

# ENDNOTES

- 1 Compliance review is an investigation by an IAM into whether the IFI followed relevant social and environmental safeguard policies in its administration of the project that is the subject of the complaint. Compliance review is completed when the IAM publishes a compliance report with findings regarding the IFI's compliance with relevant policies.
- 2 Dispute resolution is a voluntary dialogue process facilitated by the IAM in which the parties seek mutually agreeable solutions to the concerns raised in the complaint. Parties to the dialogue include the complainants and the IFI client, project implementer, and/or IFI. Dispute resolution is completed if the parties reach a substantive settlement.
- 3 Civil society organizations (CSOs) are groups that represent the collective pursuit of shared interests and values. CSOs may be international, national, or local and include community-based organizations, village associations, cooperatives, professional associations, labor unions, and environmental and human rights groups.
- 4 C. Daniel, K. Genovese, M. van Huijstee & S. Singh (Eds.), 2016. "Glass Half Full? The State of Accountability in Development Finance." Amsterdam: SOMO.
- 5 The MENA has both the lowest absolute number of complaints filed by region and the lowest relative number of complaints filed per project by region. See the section "Low Complaint Volume" for more.
- 6 Throughout the report, we will refer to outputs from the complaint process. Accountability Counsel defines *outputs* as complaints reaching an agreement through a negotiation or dispute resolution process, or the publication of a compliance report as a result of a compliance review process.
- 7 K. Lewis, 2015. "Citizen-Driven Accountability for Sustainable Development." p18.
- 8 The Accountability Console and this report use the regional designations determined by the World Bank.
- 9 Though data exists for 1,605 complaints as of June 2022, 242 complaints have no data on location, and an additional 105 complaints were filed about projects with a previous complaint.
- 10 World Bank project data, including projects from 1947 through 2022, accessed June 2022. <https://projects.worldbank.org/en/projects-operations/projects-list>.
- 11 Where regional banks and IAMs exist, they receive the majority of complaints filed in that region. The absence of a regional bank and associated IAM means that the majority of complaints filed in the MENA are to global (World Bank, International Finance Corporation) or European (European Investment Bank, European Bank for Reconstruction and Development) institutions. Further information on regional complaints by IAM is available in Appendix B.
- 12 M. Lenci, 2021. "The Eligibility Bottleneck". Accountability Counsel. <https://accountabilityconsole.com/newsletter/articles/the-eligibility-bottleneck/>
- 13 Information on each IAM's eligibility criteria, including a benchmarking report to compare criteria, can be found at <https://accountabilityconsole.com/benchmark/report/form/>.
- 14 C. Daniel, K. Genovese, M. van Huijstee & S. Singh (Eds.), 2016. "Glass Half Full? The State of Accountability in Development Finance." Amsterdam: SOMO. p34-37.
- 15 S. Araabi, 2022. "Shadow Eligibility Barriers." Accountability Counsel. <https://accountabilityconsole.com/newsletter/articles/shadow-eligibility-barriers/>
- 16 C. Daniel, K. Genovese, M. van Huijstee & S. Singh (Eds.), 2016. "Glass Half Full? The State of Accountability in Development Finance." Amsterdam: SOMO.
- 17 Accountability Console, May 2022. [https://accountabilityconsole.com/complaints/?all\\_reasons=15](https://accountabilityconsole.com/complaints/?all_reasons=15).
- 18 Accountability Console, May 2022. [https://accountabilityconsole.com/complaints/?all\\_reasons=22](https://accountabilityconsole.com/complaints/?all_reasons=22).
- 19 Accountability Console, May 2022. [https://accountabilityconsole.com/complaints/?all\\_reasons=13](https://accountabilityconsole.com/complaints/?all_reasons=13).
- 20 C. Daniel, K. Genovese, M. van Huijstee & S. Singh (Eds.), 2016. "Glass Half Full? The State of Accountability in Development Finance." Amsterdam: SOMO. See also A.M. Pelliconi, C. Dobson, and A. Zbona, 2022. "Human rights defenders & business in 2021: Protecting the rights of people driving a just transition." Business & Human Rights Resource Centre.
- 21 Zbona, 2022. "Human rights defenders & business in 2021: Protecting the rights of people driving a just transition." Business & Human Rights Resource Centre.
- 22 Jennifer Schoberlein, Matthew Jenkins, 2019. Transparency International. "What works in anti-corruption programming: Lessons from the Middle East and North Africa (MENA) region."

- 23 Ibid.
- 24 Ibid.
- 25 AfDB IRM Operating Rules and Procedures, 2015, Section X: General Provisions, Subsection c. Costs of Participation, Item 101. IRM Operating Rules and Procedures can be found here.
- 26 Many NCPs for the OECD Due Diligence Guidelines cover mediation costs. More information is available here. The Amfori Supply Chain Grievance Mechanism being piloted in Vietnam suggests that the mechanism can help with complainant costs. The Rules of Procedure are available here, see sections 8.2 and 8.3.
- 27 The average lengths of complaint stages were computed for complaints where that stage was undertaken and has been completed. Complaints actively in a particular stage were excluded from that stage's average length. The n represents the number of complaints.
- 28 Some IAMs, such as the IFC CAO, do not include a registration stage.
- 29 The 12 active IAMs include those for which we have information on language requirements. IAM policies that do not explicitly accept complaints filed in any language include the EIB's CM, the AFD's ESCM, the ADB's SPF and CRP, and the EBRD's IPAM. Information on all IAMs' language requirements of the complaint can be found here.
- 30 Accountability Console, May 2022. <https://accountabilityconsole.com/complaints/visualize/>
- 31 The IAMs that cannot independently conduct compliance investigations are the WB's Inspection Panel, the IDB's MICI, and the ADB's CRP, which all require board approval. Information on all IAM's authority to conduct compliance investigations can be found here.
- 32 Accountability Console, May 2022. <https://accountabilityconsole.com/benchmark/report/?select-lams=on&iam=5&iam=19&iam=8&iam=15&iam=26&iam=6&iam=9&iam=18&iam=4&iam=1&iam=2&iam=14&iam=20&iam=3&question=6&view=View>
- 33 Accountability Console, May 2022. <https://accountabilityconsole.com/benchmark/report/?select-lams=on&iam=5&iam=19&iam=8&iam=15&iam=26&iam=6&iam=9&iam=18&iam=4&iam=1&iam=2&iam=14&iam=20&iam=3&question=25&view=View>
- 34 United Nations Office of the High Commissioner for Human Rights (OHCHR), 2022. "Remedy in Development Finance: Guidance and Practice", available here.
- 35 For more detailed recommendation on divestment, please see "CSO Submission to the External Review of IFC/MIGA E&S Accountability, including CAO's Role and Effectiveness", available here.
- 36 United Nations Office of the High Commissioner for Human Rights (OHCHR), 2022. "Remedy in Development Finance: Guidance and Practice", available here.
- 37 For more detailed recommendation on divestment, please see "CSO Submission to the External Review of IFC/MIGA E&S Accountability, including CAO's Role and Effectiveness", available here.
- 38 While regional banks can fund projects in the MENA region, there is no dedicated regional bank and IAM to all of the MENA. For example, the African Development Bank (AfDB) can fund projects in North Africa, among other regions in Africa. The Islamic Development Bank (IsDB) can fund projects in the MENA region, but does not have an IAM.