

Development Bank of Latin America (CAF)

CAF-GEF Project Accountability Mechanism

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CAF – Development Bank of Latin America and the Caribbean, formerly known as the Andean Development Corporation, is a Caracas-based multilateral bank established in 1968 and operational since 1970. It promotes sustainable development and regional integration by financing public- and private-sector projects, and by providing technical cooperation and other specialized services. With 23 member countries from Latin America, the Caribbean, and Europe, along with 13 private banks, CAF is a major source of development financing and knowledge in the region. As a GEF Implementing Agency, CAF has established the CAF-GEF Project Accountability Mechanism, which offers an independent process for receiving and reviewing complaints from individuals potentially adversely affected by CAF-GEF projects.¹

STANDARDS AND SAFEGUARDS

The **CAF-GEF Project Environmental and Social Safeguards**² define the environmental and social commitments required for all CAF-GEF-financed projects and serve as the basis for assessing complaints. Tailored specifically for CAF as a **GEF Implementing Agency**, these safeguards reflect CAF's institutional approach to sustainability and accountability. The safeguards address nine key areas: impact evaluation, natural resource use, biodiversity, pollution control, cultural heritage, ethnic groups, resettlement, labor conditions, and gender equity. All projects are required to assess environmental and social risks, apply the mitigation hierarchy—which consists of avoiding, minimizing, mitigating, and compensating for potential impacts—comply with national and international laws, and ensure inclusive and transparent stakeholder engagement throughout the project lifecycle.

LAND TENURE

Grievances related to land tenure—such as ownership, access, use, eviction, or displacement—fall explicitly within the scope of the **CAF-GEF Accountability Mechanism**. These issues are addressed under **Safeguard S07 on Population Resettlement**, which requires the development of resettlement or livelihood restoration plans in cases of displacement. The safeguard mandates compliance with both national laws and international standards, with a strong emphasis on avoiding involuntary resettlement, minimizing negative impacts, and ensuring meaningful consultation with affected communities. Violations such as forced eviction or lack of compensation constitute valid grounds for filing a complaint.

¹ Section III. CAF. N.d. CAF-GEF Project Accountability Mechanism. <https://www.caf.com/media/3381441/accountabilitymechanismfinal.pdf>

² CAF. 2021. Manual CAF-GEF project environmental and social safeguards. <https://www.caf.com/media/3381440/manual-caf-gef-safeguardsfinal.pdf>

When land tenure rights are violated, Safeguard S07 entitles affected individuals with legal or formally recognized land claims to land-based compensation, cash equivalent to replacement cost, relocation assistance, and livelihood restoration support. Individuals without formal land rights may still be eligible for compensation for non-land assets and for assistance with resettlement. Forced evictions are categorically prohibited.³

OUTREACH AND ADMISSIBILITY

The **CAF-GEF Project Ombudsperson** is responsible for informing potentially affected individuals about the accountability mechanism, primarily through project-level stakeholder engagement. However, there is no dedicated outreach or education program, and publicly available information is limited to the CAF-GEF website.^{4 5}

The **CAF-GEF Accountability Mechanism** accepts complaints related to non-compliance with the CAF-GEF Environmental and Social Safeguards. To be eligible, a complaint must be submitted by at least two individuals from the project country or by a duly authorized representative. The complaint must concern actual or potential harm resulting from a CAF-GEF project.

Complaints are considered ineligible if they relate to procurement issues, fraud, corruption, judicial matters, or general human rights concerns beyond CAF's responsibility. Complaints submitted more than 12 months after project closure, as well as those that are malicious, fraudulent, anonymous, or previously addressed without new evidence, are also deemed inadmissible.

FILING A COMPLAINT

The **CAF-GEF Accountability Mechanism** operates alongside project-level grievance mechanisms, which are established early in the project cycle in proportion to potential risks and in alignment with **Safeguard S01** of the CAF-GEF Environmental and Social Safeguards.⁶ Local or national dispute resolution mechanisms may also be used, provided they are fair and efficient. All relevant stakeholders must be informed of these options and how to access them at no cost. To escalate a complaint, individuals are required to first use the designated project-level channel and demonstrate either a lack of response or an unsatisfactory outcome based on reasonable grounds.⁷

Complaints may be submitted via mail, email, telephone, or through the CAF website. Alternative submission methods are made available in areas with limited access. Each submission must include the complainants' contact information, project identification, and a brief explanation of the alleged harm.⁸ While anonymous complaints are not accepted, complainants may request that their identity remain confidential.⁹

If a complaint is deemed eligible, the **Ombudsperson (OP)** notifies the complainant and offers a choice between the problem solving or compliance review processes. The OP then appoints either a **Problem Solving Facilitator** or a **Compliance Assessment Facilitator**, as appropriate, and prepares the

³ Section III. CAF. n.d. CAF-GEF Project Accountability Mechanism. <https://www.caf.com/media/3381441/accountabilitymechanismfinal.pdf>

⁴ Section V1. CAF. n.d. CAF-GEF Project Accountability Mechanism. <https://www.caf.com/media/3381441/accountabilitymechanismfinal.pdf>

⁵ CAF. n.d. Environmental Projects. <https://www.caf.com/en/action-areas/environment-and-climate-change/projects>

⁶ Section V. CAF. N.d. CAF-GEF Project Accountability Mechanism. <https://www.caf.com/media/3381441/accountabilitymechanismfinal.pdf>

⁷ Section V12 and V13. CAF. 2021. Manual CAF-GEF project environmental and social safeguards.

<https://www.caf.com/media/3381440/manual-caf-gef-safeguardsfinal.pdf>

⁸ Sections IV; V2-V3. CAF-GEF Project Accountability Mechanism. <https://www.caf.com/media/3381441/accountabilitymechanismfinal.pdf>

⁹ Section V3. CAF. N.d. CAF-GEF Project Accountability Mechanism. <https://www.caf.com/media/3381441/accountabilitymechanismfinal.pdf>

corresponding **Terms of Reference**. If the complaint is found ineligible, the OP informs the complainant and provides an explanation for the decision.¹⁰

DESCRIPTION OF THE PROCESS

The **CAF-GEF Accountability Mechanism** offers two pathways for addressing complaints: **Problem Solving** and **Compliance Review**. Complainants may choose either route based on the nature of their concerns and the outcomes they seek.¹¹

The **Problem Solving** function is designed for situations where dialogue or mediation may help resolve the issues raised. If a complainant selects this option, the **Ombudsperson (OP)** appoints a **Problem Solving Facilitator (PSF)**, who conducts a preliminary review to determine whether resolution through dialogue is feasible. This review includes consultations with the complainant, the project proponent, and, where relevant, other stakeholders. If resolution appears possible, the PSF develops a Problem Solving Plan that outlines proposed actions or engagement strategies. These may include referrals to the project-level grievance mechanism, direct interventions by the project proponent, or involvement by CAF staff.

Problem-solving methods may involve facilitation, joint fact-finding, mediation, dialogue, or culturally appropriate practices such as the engagement of traditional mediators. Once the plan is prepared, the PSF presents it to the complainant, who is offered several options: proceed with the plan, request a compliance review, pursue further dialogue, or withdraw the complaint. The process proceeds only if all parties agree to participate and continues as long as it remains constructive and resolution appears achievable. If key participants withdraw, the OP determines whether to continue or close the case.

Upon conclusion of the process, the PSF submits a report summarizing the actions taken, decisions made, and any agreements reached. Where applicable, the report includes an implementation and monitoring plan.¹² However, if the complainant is dissatisfied with the outcome of the Problem Solving process, they may request a **Compliance Review**. If the dispute is resolved, the OP is responsible for monitoring the implementation of any resulting agreements and ensuring their proper execution.

The **Compliance Review** function evaluates whether a CAF-GEF project has adhered to its **Environmental and Social Safeguards**. If a complaint proceeds to compliance review, the OP prepares **Terms of Reference (TOR)** that define the scope, methodology, timeline, budget, confidentiality provisions, and procedural steps. A **Compliance Review Facilitator (CRF)** is then appointed to carry out the review accordingly.

The CRF gathers information through document analysis, interviews, and site visits, and formally requests a response from CAF regarding the alleged non-compliance and resulting harm. The CRF's final report includes: (i) a summary of relevant facts, party positions, and procedural steps; (ii) findings on whether CAF breached any safeguards; and (iii) recommendations for corrective actions and monitoring, where warranted. The report also includes the original complaint, relevant responses, and supporting

¹⁰ Section V3. CAF. N.d. CAF-GEF Project Accountability Mechanism.

<https://www.caf.com/media/3381441/accountabilitymechanismfinal.pdf>

¹¹ Section V3. CAF. N.d. CAF-GEF Project Accountability Mechanism.

<https://www.caf.com/media/3381441/accountabilitymechanismfinal.pdf>

¹² Section V4. CAF. N.d. CAF-GEF Project Accountability Mechanism.

<https://www.caf.com/media/3381441/accountabilitymechanismfinal.pdf>

documentation. The CRF may not recommend compensation unless it is explicitly permitted under the safeguards.

The final report is submitted to **CAF's Director of Sustainability**, who may attach a management response. Both documents are forwarded to the **Committee of Ethics and Integrity**, which reviews the findings, decides on outcomes, and may mandate remedial measures and follow-up actions. The decision is shared with the OP and the complainants and is published on the **CAF-GEF website**, subject to applicable confidentiality protections. If CAF is found in compliance, the case is closed; if not, corrective actions are required.¹³

The **Environmental and Social Risk Management Unit (UGRAS)** is responsible for monitoring the implementation of these corrective measures and reports at least annually to the **Director of Sustainability, Inclusion and Climate Change (DSICC-CAF)** and the OP.¹⁴

The mechanism is responsible for keeping complainants regularly informed about the progress and key developments of their case at every stage of the process.

¹³ Section V5. CAF. n.d. CAF-GEF Project Accountability Mechanism. <https://www.caf.com/media/3381441/accountabilitymechanismfinal.pdf>

¹⁴ Section V5. CAF-GEF Project Accountability Mechanism. <https://www.caf.com/media/3381441/accountabilitymechanismfinal.pdf>