Inter-American Development Bank (IDB)

The Independent Consultation and Investigation Mechanism (MICI).

This profile was prepared using publicly available sources and reviewed by the Agency for accuracy prior to publication.

The Inter-American Development Bank (IDB) is committed to improving lives. Established in 1959, the IDB is a leading source of long-term financing for economic, social, and institutional development in Latin America and the Caribbean. In addition to financing, the IDB conducts cutting-edge research and provides policy advice, technical assistance, and training to public- and private-sector clients throughout the region. The Bank has 48 member countries, including 26 borrowing members in Latin America and the Caribbean, and 22 non-borrowing members from Asia, Europe, and North America. The IDB's Accountability and Grievance Ecosystem consists of three main components: (i) project-level grievance mechanisms, (ii) a management-led grievance mechanism under the IDB Grievance Protocol, and (iii) the Independent Consultation and Investigation Mechanism (MICI).

STANDARDS AND SAFEGUARDS

The **Environmental and Social Policy Framework (ESPF)** is the Inter-American Development Bank's (IDB) core document for managing environmental and social risks and impacts across all Bank-financed operations. It sets out the standards and requirements that borrowers must follow to ensure development that is sustainable, inclusive, and responsible.

The ESPF includes ten **Environmental and Social Performance Standards**, which address a wide range of areas: the assessment and management of environmental and social risks and impacts; labor and working conditions; resource efficiency and pollution prevention; community health, safety, and security; land acquisition and involuntary resettlement; biodiversity conservation and the sustainable management of living natural resources; Indigenous Peoples; cultural heritage; gender equality; and stakeholder engagement and information disclosure in IDB-financed projects.

Although the ESPF is specific to the IDB, it is harmonized with the most recent core international conventions and instruments, including those of the United Nations (UN) and the International Labour Organization (ILO).[1]

LAND TENURE

The **Environmental and Social Policy Framework (ESPF)** addresses land tenure security and related grievances primarily through **Environmental and Social Performance Standard (ESPS) 5: Land Acquisition and Involuntary Resettlement**. This standard requires projects to avoid or minimize displacement and mandates engagement with affected communities, including vulnerable groups,

[1] IDB. 2020. Environmental and social policy framework. https://www.iadb.org/en/who-we-are/topics/environmental-and-social-solutions/environmental-and-social-policy-framework

through meaningful consultation and accessible grievance mechanisms to address land-related concerns.

Additional protections under **ESPS 1** (Assessment and Management of Environmental and Social Risks and Impacts), **ESPS 7** (Indigenous Peoples), and **Section 7** of the Policy Statement reinforce the importance of early risk identification, safeguard indigenous and collective tenure rights, and ensure that grievance processes are accessible, transparent, and inclusive.[2]

The ESPF, and in particular ESPS 5, sets out compensation measures and other forms of assistance related to the acquisition of land or land use rights. These measures are designed to address both physical and economic displacement, while recognizing and respecting diverse tenure systems, including informal and collective arrangements. When displacement is unavoidable, ESPS 5 requires the Borrower to provide compensation at full replacement cost for land and assets lost due to project-related activities. This applies regardless of the affected individuals' legal status, whether they hold formal legal rights to land or assets, have claims that are recognized or recognizable under national law, or lack any legally recognizable claim to the land or assets they occupy or use.

For Indigenous Peoples, the ESPF includes specific requirements under ESPS 7 related to land rights and land use, including the obligation to obtain Free, Prior, and Informed Consent (FPIC) in circumstances defined within the standard. Additional support may include relocation assistance, transitional aid, and access to opportunities such as credit, employment, or vocational training.[3]

ACCOUNTABILITY AND GRIEVANCE ECOSYSTEM

(1) Project-level grievance mechanism[4]

At the project level, IDB requires the Borrower to establish a grievance mechanism to address environmental and social concerns raised by stakeholders. This mechanism must be timely, accessible, inclusive, and proportionate to the project's risks and impacts. It should leverage existing formal or informal channels where appropriate and allow for confidential or anonymous submissions without fear of retribution or discrimination. The process must be transparent, culturally appropriate, and cost-free to affected parties, and it must not hinder access to judicial systems or the IDB's Independent Consultation and Investigation Mechanism (MICI). The Borrower must inform stakeholders about this mechanism during community engagement and maintain public records of grievance responses.

(2) Management-led grievance mechanism under the IDB Grievance Protocol[5]

The IDB's Environmental and Social Grievance Protocol provides a direct, internal channel for individuals or communities affected by IDB–financed public-sector projects to raise concerns about environmental or social impacts. It operates independently of any project-level grievance system (though stakeholders are encouraged to use those first), and is available for operations in preparation, approval, execution, or

[2] IDB. 2020. Environmental and social policy framework. https://www.iadb.org/en/who-we-are/topics/environmental-and-social-solutions/environmental-and-social-policy-framework
[3] IDB. 2020. Environmental and social policy framework. https://www.iadb.org/en/who-we-are/topics/environmental-and-social-solutions/environmental-and-social-policy-framework. See specifically ESPS1, ESPS 5, ESPS 7 and ESPS 10 of the ESPF.
[4] IDB. 2020. Environmental and social policy framework. https://www.iadb.org/en/who-we-are/topics/environmental-and-social-solutions/environmental-and-social-policy-framework. See specifically ESPS 1, 2, 4, 5, 9 and 10 of the ESPF for specific references to requirements for project-0level grievance mechanisms.
[5] IDB. 2020. Environmental and Social Grievance Protocol. https://www.iadb.org/en/who-we-are/file-complaint/grievances-portaL and the Environmental and social policy framework. https://www.iadb.org/en/who-we-are/topics/environmental-and-social-solutions/environmental-and-social-policy-framework. See specifically section 7 of Part I of the ESPF (Grievance Mechanism and Accountability).

within 24 months after final disbursement. Grievances can be submitted in all languages spoken in Latin America and the Caribbean and multiple formats—via online form, email, WhatsApp, phone, or in-person—and are registered, assessed for eligibility, investigated, and addressed through dialogue with both complainants and executing agencies. When needed, the IDB proposes action plans, closely monitors implementation, and closes the case once agreed measures are completed. If resolution fails, complainants are advised of alternative avenues, including the Independent Consultation and Investigation Mechanism (MICI). The IDB's Grievance Protocol has 4 phases:

- Registry – After receiving the grievance through one or several of the submission channels we register it.
- Applicability – We determine if the grievance is applicable, analysing the following aspects:
    - It is an operation in preparation approval, execution, or within 24 months after final disbursement, and
    - It is related to an environmental and/or social aspect.
- Assessment and response – We do a fact-finding process to gather further information on the grievance. We then establish a dialogue process with the complainant and the Executing agency as we look for solutions to the issues raised, which may become an action plan to be implemented by the executing agency.
- Monitoring and closure – Agree actions are monitored. Once the action plan is completed the case is closed.

(3) MICI

MICI receives complaints filed by individuals or communities who allege to be adversely affected by the IDB's failure to comply with its operational policies in Bank-financed operations, in the public or private sector. The first Mechanism was established in 1994 and restructured in 2010 to enhance the institution's transparency, accountability, and effectiveness.[6]

OUTREACH AND ADMISSIBILITY

The **MICI Office** has a mandate to conduct public outreach throughout the region to raise awareness of the Mechanism. The **MICI Director** coordinates with other Bank offices and units to integrate information about the Mechanism into Bank activities and publications. Outreach efforts include workshops, training sessions, and events targeting civil society organizations, government agencies, project implementers, and affected communities. The MICI Policy affirms that Bank Management will support MICI's efforts to publicize the Mechanism.

MICI maintains a dedicated website offering a wide range of resources that may be useful for potential complainants, including lessons learned from both the dispute resolution and compliance review functions. To be admissible under the MICI Policy, a complaint—referred to as a "Request"—must be submitted by at least two individuals residing in the country where the Bank-financed operation is being implemented, or by a representative who has written authorization to act on their behalf. While there is no mandatory format, the Request must include certain essential elements:

- the names, addresses, and contact information of the Requesters;
- identification and written authorization in the case of representation;

[6] MICI. N.d. What is MICI? https://mici.iadb.org/en/what-mici#node-card-41

- any request for confidentiality with a supporting explanation; a description of the Bank-financed operation and its location;
- a clear allegation of the Bank's failure to comply with relevant operational policies;
- a detailed explanation of the harm suffered and its connection to the alleged noncompliance; a summary of efforts made to resolve the issue directly with Bank Management;
- and an indication of whether the Requesters are seeking the Consultation Phase, the Compliance Review Phase, both, or additional information.

Requests must be submitted in writing via e-mail, mail, or fax to the MICI Office in Washington, D.C., the online form on the MICI website, WhatsApp, or through any IDB Country Office, and may be presented in Spanish, English, Portuguese, French, or any other language of the region, with translation time required for other languages. The MICI excludes requests related to ethics, fraud, internal finance, administration, procurement decisions, anonymous or unsubstantial claims, matters already reviewed without new evidence, operations not yet approved, and those filed more than 24 months after the last disbursement.[7]

FILING A COMPLAINT

MICI functions as a last-resort mechanism. Before submitting a complaint to MICI, complainants are generally required to first attempt to resolve their grievances directly with the relevant IDB teams, unless there is a well-founded fear of reprisals. If those efforts fail or are unreasonably delayed, a complaint may then be submitted to MICI.[8] Anonymous requests are not accepted. However, if complainants need to keep their identities confidential due to concerns about retaliation, MICI will preserve their confidentiality.[9]

To ensure accessibility, MICI maintains a dedicated website that provides resources such as the *Guide to Filing a Complaint*, a sample complaint letter, and reference materials in Spanish, English, Portuguese, and French. The website also includes a direct link for submitting complaints. [10]Potential complainants can obtain procedural information either online or directly from MICI staff. While MICI provides clarification on procedures and eligibility, it does not offer legal advice or award compensation.[11] [12] [13]

DESCRIPTION OF THE PROCESS

Once a request is registered, Management must submit a written response within 21 business days. Upon receiving Management's response, MICI has an additional 21 business days to conduct an eligibility analysis, which determines whether the complaint meets the admissibility criteria. The Director of the Mechanism, in consultation with the Coordinators of each phase, is responsible for determining the complaint's eligibility. The main participants in the MICI process include the Requesters, Management, the Borrower, the Client and/or the Executing Agency, where applicable. During the

---

[7] Paragraphs 13;14;16; and 19. Policy. IDB. 2020. Policy of the independent consultation and investigation mechanism of the IDB. https://www.iadb.org/document.cfm?id=EZSHARE-525549286-365
[8] MICI. N.d. Five key questions about complaints. https://mici.iadb.org/en/five-key-questions-about-complaints
[9] Paragraph 15. Policy. IDB. 2020. Policy of the independent consultation and investigation mechanism of the IDB. https://www.iadb.org/document.cfm?id=EZSHARE-525549286-365
[10] Direct link at MICI's website: https://mici.iadb.org/en/contact-us
[11] Paragraph 30 Policy. IDB. 2020. Policy of the independent consultation and investigation mechanism of the IDB. https://www.iadb.org/document.cfm?id=EZSHARE-525549286-365
[12] IDB.2024. Independent Consultation and Investigation Mechanism: 2024 Annual Report. https://publications.iadb.org/publications/english/document/Independent-Consultation-and-Investigation-Mechanism-2024-Annual-Report.pdf
[13] Paragraph 16 (d) Policy. IDB. 2020. Policy of the independent consultation and investigation mechanism of the IDB. https://www.iadb.org/document.cfm?id=EZSHARE-525549286-365

Consultation Phase (dispute resolution), MICI and the parties may also involve third actors—such as technical experts, universities, religious organizations, or Ombudsman offices—provided these entities can contribute constructively without holding a direct interest in the dispute.[14]

Depending on the phase selected by the Requesters, the MICI process will proceed accordingly. If both phases were selected, the process begins with the Consultation Phase. If dispute resolution proves unfeasible and both phases were initially selected, the complaint will then be transferred to the Compliance Review Phase. Once a complaint has been transferred to the Compliance Review Phase, the Consultation Phase cannot be reopened. Although Requesters may opt out of the Compliance Review Phase, it is the responsibility of the MICI Director to assess the relevance of continuing the process and to submit a recommendation to the Board for consideration through the Short Procedure.[15]

The **Consultation Phase** (dispute resolution) provides an opportunity for the parties—IDB Management,[16] the Requesters, and the Client or Executing Agency—to collaboratively address issues related to harm allegedly caused by the Bank's failure to comply with its operational policies. MICI acts as an impartial third party, supporting the parties in identifying mutually agreeable solutions to the concerns raised. Once a complaint enters the Consultation Phase, an initial assessment is conducted to determine whether conditions exist to initiate a dispute resolution process. Participation is voluntary and contingent upon the consent of all parties, who may withdraw at any time. The expected outcome is a mutually agreed solution, the implementation of which may be monitored by MICI.

The design of each Consultation Phase process is guided by the principle of co-design. As such, the process is tailored using methodologies, formats, and cultural and linguistic preferences identified by the participating actors.[17] Depending on the case and the conclusions of the assessment, MICI or the parties may propose the involvement of third parties, such as technical experts, Ombudsman offices, religious organizations, or academic institutions. The process may use various methods, including information gathering, joint fact-finding, facilitation, negotiation, and mediation. Special attention is given to addressing asymmetries between parties, particularly those related to information access, participation capacity, and decision-making power. When gender groups or Indigenous Peoples are involved, the process is designed to respect local decision-making structures, customary practices, gender dynamics, and other social factors that may affect effective participation.[18]

At the conclusion of the Consultation Phase, a report is prepared, shared with the parties, and published in the MICI Public Registry. If the parties reach an agreement, MICI may establish a monitoring plan to ensure its implementation.[19] The Consultation Phase is expected to conclude within 12 months, although extensions may be granted. If applicable, the monitoring phase must not exceed a total duration of five years.

The **Compliance Review Phase** is a formal process that objectively investigates whether the IDB failed to comply with its operational policies and whether such noncompliance caused or may cause harm to the Requesters. A complaint enters this phase either if the Consultation Phase ends without a resolution,

[14] IDB. 2018. Guidelines for the consultation phase. https://www.iadb.org/document.cfm?id=EZSHARE-525549286-333 .
[15] Paragraph 17, IDB. 2020. Policy of the independent consultation and investigation mechanism of the IDB. https://www.iadb.org/document.cfm?id=EZSHARE-525549286-365
[16] It is important to emphasize that, in the MICI dispute resolution process, IDB Management participates as a party to the process.
[17] IDB. 2018. Guidelines for the consultation phase. https://www.iadb.org/document.cfm?id=EZSHARE-525549286-333
[18] IDB. 2018. Guidelines for the consultation phase. https://www.iadb.org/document.cfm?id=EZSHARE-525549286-333 .
[19] Paragraphs 24- 35. Policy. IDB. 2020. Policy of the independent consultation and investigation mechanism of the IDB. https://www.iadb.org/document.cfm?id=EZSHARE-525549286-365

or if the Requesters initially opted to proceed directly with a Compliance Review. A Compliance Review Panel is responsible for conducting a fact-finding investigation, which may include document analysis, interviews, site visits, and regular consultations with the Requesters, Management, and the Executive Director representing the country where the project is located, as outlined in the Terms of Reference prepared for the case. The investigation is intended to be completed within six months, although extensions may be granted subject to a no-objection from the Board.

The Compliance Review report identifies whether noncompliance occurred, how it occurred, and whether it contributed—or could likely contribute—to harm. The report may also identify systemic issues. In accordance with the MICI Policy, the Compliance Review report must provide the factual and technical foundation for a decision by the Board regarding preventive or corrective action in connection with the Bank-financed operation under review.[20]

The Board is responsible for making the final decision based on the findings and recommendations of the Compliance Review. If corrective action is deemed necessary, the Board may instruct Management to develop, in consultation with MICI, an action plan. Where applicable, MICI is responsible for monitoring the implementation of approved remedial or corrective actions for a period of up to five years. To support this function, MICI will prepare a monitoring plan and timeline tailored to the specific case and developed in consultation with the Requesters, Management, and other relevant parties. Monitoring reports are submitted to the Board at least annually and are made publicly available.[21]

There is no appeal mechanism.

[20] Paragraphs 45 and 49. Policy. IDB. 2020. Policy of the independent consultation and investigation mechanism of the IDB. https://www.iadb.org/document.cfm?id=EZSHARE-525549286-365
[21] Paragraphs 36- 49. Policy. IDB. 2020. Policy of the independent consultation and investigation mechanism of the IDB. https://www.iadb.org/document.cfm?id=EZSHARE-525549286-365