

# INDEPENDENT COMPLAINTS MECHANISM (ICM)

## Annual Report

## Independent Complaints Mechanism

## DEG / FMO / PROPARCO

January – December 2024



**KFW** DEG

**FMO**

**PROPARCO**  
GRUPE AFD

Entrepreneurial  
Development  
Bank

## Definitions

<b>Client</b>	The entity that is financed by DEG/FMO/Proparco based on a direct contractual relation and responsible for carrying out and implementing all or part of the DEG/FMO/Proparco-Financed Operation.
<b>Complaints Office</b>	Function performed by FMO's Internal Audit function, by DEG's Corporate Strategy and Development Policy Department, and by Proparco's Risk Department respectively, which registers and acknowledges receipt of Complaints, coordinates adequate fulfilment of the Complaints process, and provides practical support to the Independent Expert Panel.
<b>Compliance Review</b>	The process to determine whether DEG/FMO/Proparco have complied with the policies that may be relevant for an admissible complaint
<b>DFI</b>	Development Finance Institution
<b>Dispute Resolution Process</b>	The process to assist in finding a resolution for the issues underlying an Admissible Complaint. This process may include information sharing, fact-finding, dialogue, and mediation. A precondition for Dispute Resolution is that all relevant parties are willing to participate in such a process.
<b>DEG/FMO/ Proparco-Financed Operation</b>	Any activity or any asset of the Client that is or is going to be financed by DEG/FMO/ Proparco funds or from funds administered by DEG/FMO/Proparco in whole or in part, regardless of the nature of the financial instrument (loans, equity, project financing, grants, technical cooperation assistance and guarantees).
<b>IAM</b>	Independent Accountability Mechanism
<b>IAMnet</b>	A global network of 23 accountability mechanisms linked to Development Finance Institutions around the world.
<b>Independent Expert Panel/IEP</b>	A group of three persons assessing and handling Complaints, with environmental, social, legal, and financial expertise. In exercising its mandate, the Panel is fully independent of DEG, FMO and Proparco.
<b>ICM/Mechanism</b>	Independent Complaints Mechanism <sup>1</sup>

<sup>1</sup> The ICM is a joint initiative of German - Deutsche Investitions- und Entwicklungsgesellschaft (DEG), Dutch Financierings-Maatschappij voor Ontwikkelingslanden N.V. (FMO) and the French Development Finance Institution (Proparco).

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## Foreword by the ICM Panel

ICM Panel is delighted to publish the tenth ICM Annual Report.

At the outset, the Panel wishes to express its deepest gratitude to all we have worked with in 2024, including members of the Supervisory Boards, the DFIs, mediators and experts, civil society organizations as well as the various parties in the ICM cases. We are looking forward to continuing our collaboration to facilitate remediation and institutional learning in 2025.

Since the ICM was established in 2014, it has evolved significantly. The ICM started at a time when complaint handling and remedy mechanisms were becoming increasingly important. Since the adoption of the UN Guiding Principles on Business and Human Rights (UNGPs) by the Human Rights Council in 2011, all business actors including DFIs and their clients are encouraged to have an effective complaint mechanism in place as part of their overall human rights due diligence. In line with the UNGPs, the ICM provides an avenue for voices of communities and people who feel affected by a DFI-Financed Operation to be heard to enable resolution of disputes, ensure compliance with DFIs' Environmental and Social Policies and assist the DFIs in drawing lessons learned for current and future operations.

In 2024, some ICM cases clearly demonstrated that dispute resolution processes can lead to remedial project-level outcomes, help to build trust and achieve long-term shared interest. The Panel handled six complaints of which five are still active. One complaint related to the Nyamagasani project in Uganda was closed with full implementation of the Dispute Resolution Process (DRP) agreements. The Panel had successful mediation outcomes in several of the cases including FirstRand Bank and Niche Cocoa, resulting in agreements or partial agreements between relevant parties. The multiple dispute resolution and compliance cases in the monitoring phase show the importance of tracking progress and implementation of agreements and commitments. In DRPs, monitoring of agreements in parallel with the continuation of the DRP dialogues helps to enhance trust and commitment in the process.

The Panel noted that a party's right to access to remedy might be inhibited, if no representation is possible or wanted due to fear of reprisals. The panel is concerned by the increase of retaliatory threats either directly from the project or from government and/or local authorities reported by complainants across several ICM cases. In line with the 2021 ICM Non-Retaliation Statement on Addressing Risks of Reprisals related to ICM operations, we remain committed to work in close collaboration with the DFIs and parties to minimize reprisal risks as much as possible.

In 2024, the ICM has stepped up collaboration with other IAMs through joint outreach activities, and exchanges about learnings and best practices. The ICM continually seeks to enhance its effectiveness and align with international best practices.

In 2024, the ICM worked extensively with the DFIs and other stakeholders to review and update the ICM Policy. This process will culminate in the adoption of a new revised ICM Policy in 2025, following a public consultation. In addition, in 2025, the ICM will work to further raise awareness and improve understanding of its mandate, procedures and functions among stakeholders.

Sincerely yours,

*The ICM Panel:*

*Seynabou Benga*

*Inbal Djalovski*

*Marina d'Engelbronner-Kolff*

## 1. Introduction

This Annual Report covers the activities and accomplishments of the Independent Complaints Mechanism (ICM or Mechanism) of DEG, FMO and Proparco (the DFIs) from 1 January 2024 until 31 December 2024. It is published simultaneously on the websites of the DFIs. The Report provides information about the ICM's operations in complaint-handling as well as its institutional activities.

### 1.1 About the ICM

The ICM was designed to enhance compliance with social, environmental, and human rights standards in the operations of FMO, DEG, and Proparco. The ICM adheres to good international practice and works in line with its 2017 ICM Policy.<sup>2</sup> The ICM forms part of the three DFIs broader commitments towards accountability and transparency.<sup>3</sup>

The Mechanism ensures that individuals, groups, communities, or other parties who believe to have been adversely affected by the DFIs-Financed Operation have the right to raise complaints and seek redress. The ICM addresses complaints through its two main functions:

- By conducting a **Compliance Review**, which seeks to determine whether the DFIs have complied with their relevant policies and procedures that may be relevant to an admissible complaint. The Compliance Review process is a fact-finding process. It is investigative in nature. It aims at assessing the alleged harms and, where necessary, determining whether they are related to non-compliances of the DFIs with their own policies and procedures.
- By facilitating a **Dispute Resolution Process**, with the view to seeking a mutually agreed resolution of the issues underlying an admissible complaint via a collaborative dialogue between the complainants, the Client and the DFI. A Dispute Resolution Process may include information sharing, fact-finding, dialogue, and mediation. A pre-condition for DRP is that the relevant parties, at the very least the client or sub-client and the complainant, are willing to participate in such a process.

### 1.2 About the Independent Expert Panel

The Independent Expert Panel (IEP or Panel) is composed of three members. The IEP Members have expertise in human rights, Environmental and Social Policy of Development Finance Institutions, and investigation proceedings. To conduct its functions, the Panel is supported by the ICM Secretary and by the Complaints Offices of DEG, FMO and Proparco.

In the exercise of its mandate, the Panel applies that ICM Policy and interprets it as necessary. The Panel is fully independent of DEG, FMO and Proparco. The Panel decides on the admissibility of each complaint received by the ICM Complaints Offices, performs preliminary reviews, conducts compliance reviews, and facilitates dispute resolution processes in accordance with the ICM Policy. Following a compliance review, the Panel monitors the implementation of measures taken by the DFIs to bring a project into compliance. After the conclusion of a dispute resolution process, the Panel monitors the implementation of agreed outcomes.

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<sup>2</sup> Available under <https://www.deginvest.de/icm>, <https://www.fmo.nl/icm>, <https://www.proparco.fr/icm> and <https://www.proparco.fr/en/icm>.

<sup>3</sup> See, OECD Guidelines for Multinational Enterprises, 2011, <https://mneguidelines.oecd.org/mneguidelines/>; OECD Due Diligence Guidance for Responsible Business, 2018, [OECD-Due-Diligence-Guidance-for-Responsible-Business-Conduct.pdf](https://www.oecd.org/due-diligence/guidance-for-responsible-business-conduct.pdf).

In September 2024, the term of Mr. Michael Windfuhr came to an end after 10 years of serving as a member of the Independent Expert Panel. The ICM is grateful for the important contributions of Michael Windfuhr to the Mechanism, since its inception.

In November 2024, Mrs. Marina d'Engelbronner-Kolff officially joined the ICM Panel. Together with Mrs. Inbal Djalovski and Mrs. Seynabou Benga, they form the three IEP members of the ICM.

Mrs. Marina d'Engelbronner-Kolff is a global sustainability leader with 30 years of experience in environmental and social performance at both strategic and operational levels within corporate and consulting sectors. She has held key roles in a human rights NGO, research institutes, a multinational company, and various consultancies, working across Europe, Africa, Asia, and Latin America. As a former Partner for Human Rights & Social Performance at ERM, she led major human rights and social sustainability initiatives. The ICM is looking forward to the cooperation with Mrs. d'Engelbronner-Kolff and the expertise she brings to the Panel.



*ICM Complaints Offices of DEG, FMO, and Proparco, and Independent Expert Panel during Annual Meeting in The Hague (Feb 2025)*

## 2. Overview of Complaints

### 2.1 Complaints received in 2024

In 2024, the ICM received five new complaints that were submitted to the Panel for admissibility assessment based on the criteria laid out in paragraph 3.1.4 of the ICM Policy. Four complaints, related to four different projects in Cameroon, India, Tunisia and Senegal, were declared inadmissible by the Panel. In one complaint, there was no active financial relationship at the time of filing the complaint (Cameroon). In two instances, the complaint was declared inadmissible due to a lack of explicit evidence of representation (Senegal and India). In another complaint, the Panel concluded that the subject-matter of the complaint did not fit within the scope of the ICM Policy (Tunisia). One complaint which was filed in August 2024 was declared inadmissible as it did not concern a DFI financed operation.

#### ICM Complaints received in 2024:

Complaint number	Date of complaint	Receiving complaints office	Business sector	Country of DFI Client	Status
24-001	16.01.2024	FMO	Energy	Cameroon	Closed - inadmissible
24-002	11.03.2024	Proparco	Tech	Tunisia	Closed - inadmissible
24-003	31.08.2024	FMO	Finance	<i>No DFI client</i>	Closed - inadmissible
24-004	31.10.2024	FMO	Energy	Senegal	Closed - inadmissible
24-005	30.01.2024	FMO	Finance	India	Closed - inadmissible

### 2.2 Ongoing Complaints

In 2024, the ICM handled six complaints of which five are still active. All complaints concern projects which are located in Africa (four complaints in West Africa, one in Central Africa, and one in East Africa). During the reporting period, the IEP closed the complaint related to the Nyamagasani project in Uganda and made significant progress in all its pending cases.

The Panel conducted seven site visits in 2024 to project sites and engaged directly with complainants and other relevant stakeholders. The ICM visited complainant communities and project sites in the Democratic Republic of Congo (DRC), Liberia, and Ghana.

Furthermore, the Panel published three reports: the second and final Monitoring Report confirming the full implementation of the DRP agreements in the Nyamagasani project in Uganda, as well as an information sheet about the conclusion of the mediation process and a Report on the Conclusions of the Dispute Resolution Process in the case concerning Plantations et Huileries du Congo SA (PHC).

Additionally, the ICM Panel has recorded successful mediation outcomes. In the FirstRand Bank case, following dialogues in Liberia, all complaint issues were discussed, resulting in separate agreements for each community on six issues. The mediation in the PHC case was concluded. In the Niche Cocoa case, the ICM Panel facilitated two DRP sessions focused on facilitating dialogues on implementation of collective agreements through concrete action steps developed jointly by all participants in the DRP.

In 2024, the ICM Panel kept monitoring its findings in the Compliance Review cases in the Sendou project in Senegal, as well as in the LCT case in Togo.

#### Overview of active ICM cases in 2024:

Complaint Number	Date of Complaint	Receiving Complaints Office	Business Sector	Country of DFI Client	Status on 31 December 2024
16-001 / 16-002 (Sendou)	09.05.2016 15.07.2016	FMO	Energy	Senegal	Compliance Monitoring
18-001 (LCT)	22.08.2018	DEG and FMO	Logistics	Togo	Compliance Monitoring
18-002 (PHC)	05.11.2018	DEG	Agriculture	Democratic Republic of the Congo	DRP Monitoring
20-001 / 20-003 (Nyamagasani)	18.05.2020 06.07.2020	FMO	Energy	Uganda	Closed
21-001 (FRB)	25.02.2021	DEG and Proparco	Finance	South-Africa / Liberia	Dispute Resolution
22-004 (Niche Cocoa)	01.01.2022	FMO	Agri	Ghana	Dispute Resolution



### 3. Compliance Reviews

The ICM has two ongoing Compliance Review cases, which are currently in the monitoring phase. A description of the complaint details and of activities conducted by the Panel in the reporting period is provided below.

#### 3.1 Sendou I Coal Power Plant, Senegal (16-001, 16-002 / FMO)



*Traditional fishing boats in Bargny, Senegal (Sept 2022)*

#### **The Complaint**

On 9 May 2016 and 15 July 2016, the ICM received two complaints on the FMO-project Sendou I, a 125 MW coal-fired powerplant project near the town of Bargny in Senegal. The Panel decided to treat the two complaints as one case. The complainants allege harms with respect to resettlement, air pollution, health impacts, marine impacts, and community consultation. Of particular concern are the loss of land rights and the right to continue fish drying activities of a large community of vulnerable women in an area adjacent to the coal-based powerplant. The complainants raise concerns about the establishment of a coal-based powerplant in a densely populated area in the immediate vicinity of a major town.

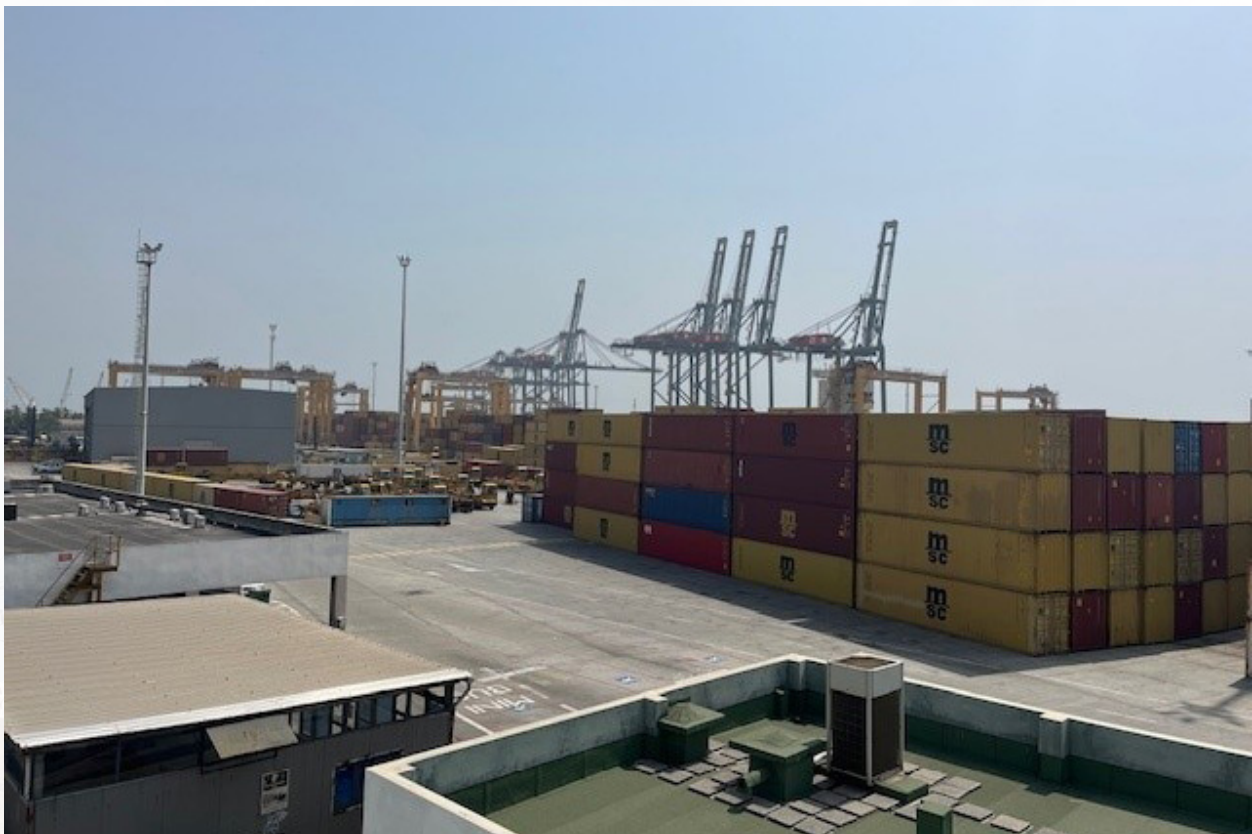
On 12 October 2017, the Panel issued a Compliance Review Report.<sup>4</sup> The Panel made non-compliance findings with regards to Environmental and Social policies applicable to FMO-Financed Operations, with the IFC Performance Standards as well as with resettlement policies and possible violations of land rights. On 27 January 2020, the Panel issued a first Monitoring Report, finding substantial outstanding non-compliances.<sup>5</sup> On 30 October 2023, the ICM published its second Monitoring Report.<sup>6</sup> In the Second Monitoring Report, the Panel concluded that five issues remain in non-compliance with Environmental and Social standards: (i) the ash disposal facility; (ii) the coal storage; (iii) the air quality monitoring; (iv) economic resettlement of the fish drying women; and (v) the issues with land titles. Three issues remain in partial compliance: (i) drinking water impacts; (ii) marine impacts; and (iii) coal transport.

### Activities in 2024

In 2024, as part of its monitoring activities, the ICM kept in contact with FMO operational team and its Client the Compagnie d'Électricité du Sénégal (CES) on the progress in bringing the Sendou project into compliance.

**Status: Monitoring**

### 3.2 Lomé Container Terminal, Togo (18-001 / DEG and FMO)



*View of Lomé Container Terminal (Dec 2023)*

<sup>4</sup> ICM, Compliance Review Report, FMO Complaint 16-001/002 (Sendou), 12 October 2017, published [online](#).

<sup>5</sup> ICM, Monitoring Report, FMO Complaint 16-001/002 (Sendou), 27 January 2020, published [online](#).

<sup>6</sup> ICM, Second Monitoring Report, FMO Complaint 16-001 / 002 (Sendou), 30 October 2023, published [online](#).

## **The Complaint**

The complaint in relation to Lomé Container Terminal (LCT) in Togo was received by the Complaints Offices of FMO and DEG on 28 August 2018. The complainants are local community members represented by a civil society organization called “Collectif des personnes victimes d'érosion côtière” (Collective of victims of coastal erosion). The complainants allege that the project has accelerated the erosion of the coast east of the port of Lomé with negative impacts on their homes, livelihoods, and communities. The complaint raises several questions in relation to the due diligence carried out by FMO and other lending institutions and to the quality of the Environmental and Social Impact Assessment which did not assess the impact on the coast east of the port. A comparable complaint had already been filed with the Office of the Compliance Advisor Ombudsman (CAO) of the IFC in 2015. The CAO issued a Compliance Investigation Report on this complaint in August 2016.<sup>7</sup>

On 23 January 2020, the Panel issued a Preliminary Review Report and decided to proceed with an investigation, focusing on actions taken since the issuance of the CAO's Investigation Report of 8 August 2016. The Panel completed its investigation and issued its Compliance Review Report on 31 August 2022, finding a number of non-compliances.<sup>8</sup> In particular, the Panel underlined that at the time the Panel completed its investigation, the Study on the Causes of Coastal Erosion along the Togolese coast was not yet completed. The purpose of the study was to determine causes for coastal erosion, including impacts of the port and infrastructure associated with the Container Terminal. The Study has since been completed but has not been shared with the affected communities as government authorities have not, to date, agreed to the release of the study. In December 2023, the Panel conducted a monitoring site visit in Togo. During the visit, the ICM engaged with complainants, the Client (LCT), and government authorities and visited the communities affected by coastal erosion.

### **Activities in 2024**

In January 2024, DEG and FMO presented a Management Action Plan (MAP) in response to the ICM Compliance Review Report.<sup>9</sup> In 2024, the ICM continued monitoring the case. A Monitoring Report will be published on the ICM webpages early 2025.

The retaliation threats around the LCT complaint remain high. At the end of 2023 and early 2024, the ICM was notified of troubling indications of intimidation and possible reprisals taken against individuals and communities who expressed dissent against the LCT project. Since the notification of increased threats of reprisals in December 2023, DEG and FMO have alerted the German and Dutch embassies and reached out to its respective CSO networks. The ICM remains in contact with the complainants, and no recent indications of increased risks of reprisals have been reported to the ICM.

### **Status: Monitoring**

<sup>7</sup> CAO, Compliance Investigation Report, IFC Investment in Lomé Container Terminal, Togo, 8 August 2016, available [online](#).

<sup>8</sup> ICM, Compliance Review Report, FMO and DEG Complaint 18-001 (LCT), 31 August 2022, published [online](#).

<sup>9</sup> FMO and DEG, Joint Management Action Plan to the ICM Compliance Review Report on Lomé Container Terminal SA, 15 January 2023, published [online](#).

## 4. Dispute Resolution Processes

The ICM currently has three ongoing cases related to complaints that are being addressed through Dispute Resolution Processes. In the Democratic Republic of the Congo (DRC), the DRP has been concluded and moved the case to the monitoring phase. Two other DRPs are ongoing in Ghana and Liberia. In Uganda, the monitoring of the DRP has been concluded. The following paragraphs provide an overview of the activities conducted by the Panel in the reporting period.

### 4.1 Plantation et Huileries de Congo SA (PHC), DRC (18-002 / DEG)



*View over PHC plantations in DRC*

#### **The Complaint**

On 5 November 2018, DEG's Complaints Office received a complaint about "Plantations et Huileries du Congo SA" (PHC), a palm oil producer based in the Democratic Republic of Congo. PHC was a subsidiary of Feronia Inc., Canada. The complainants claim to have been negatively affected by the project, identifying multiple issues to be addressed by the ICM regarding (i) title and access rights to part of the plantation, (ii) treatment of community members, particularly by security forces, and (iii) lack of information provided to the community. The complaint was filed with DEG as the leader of a consortium of DFIs including FMO and other European Development Banks. DEG confirmed that the case was to be treated as a complaint to DEG only. In 2021, the case proceeded to a Dispute Resolution Process.

The mediation formally started in 2022 due to delays associated with the Covid-19 pandemic and with a change of ownership of the company. In 2022, the Panel identified in both locations the participants for the Mediation process and agreed with the complainants, the communities, and the company on the composition of the mediation tables. In both locations the Panel conducted training on mediation processes with all selected participants. In March 2023, the Panel facilitated two mediation rounds, one in Mbandaka (Province of Equateur) and one in Kisangani (Province of

Tshopo).<sup>10</sup> Amongst the agreed outcomes that were signed by all participants, it was agreed that in both locations separate land commissions would be created to assess pending land disputes. In addition, both parties agreed to revitalize the existing conflict management committee, established by PHC to address potential cases of conflict and human rights abuses. In May 2023, the ICM's Expert Mediator conducted a site visit to monitor the implementation of the agreed outcomes and gain insights into implementation challenges.

### Activities in 2024

In January and February 2024, the ICM held two additional mediation rounds, one in Mbandaka (Province of Equateur) and one in Kisangani (Province of Tshopo) to take stock of recent developments in the other areas of agreement from 2023 and receive the reports from the land commissions presented in both locations by the land cadastre officials. A consensus agreement was reached, bringing the mediation to an end for all issues identified in 2023. All parties agreed to set up a permanent concertation committee for both sites (Boteka and Lokutu) to enable all parties to periodically discuss open issues and all matters relating to their relationships.

In April 2024, the ICM published an information sheet about the mediation outcomes in response to concerns that were raised in an open letter from several non-governmental organizations.<sup>11</sup> On 19 August 2024, the ICM published its Report on the Conclusions of the Dispute Resolution Process.<sup>12</sup>

With the conclusion of the dispute resolution process, the ICM has moved the case to the monitoring phase. In November 2024, the ICM team visited Kinshasa and Kisangani to meet with the Company and community representatives and gain insights into implementation challenges. The first concertation committee meeting has not yet been held, and the ICM continues to monitor whether agreements are being properly implemented.

### Status: Monitoring

## 4.2 Nyamagasani II Hydro Power Plant, Uganda (20-001, 20-003 / FMO)

### The Complaint

The ICM received eight complaints comprising 50 individual cases of alleged harms related to the Nyamagasani Hydro Power Plant projects between May and November 2020. The complaints concerned allegations of harm to property, crops and land that was damaged or rendered unsuitable for living due to construction activities. Moreover, the complainants raised allegations of procedural irregularities and unfair treatment by the project's grievance mechanism. The issues raised in the complaints were addressed through a Dispute Resolution Process (DRP) that took place from July 2021 to December 2021. The DRP was a voluntary process, in which the client company, Frontier, and the complainants engaged in a collaborative dialogue to resolve the complaints. On 31 March 2022, the ICM published a Report on the Conclusions of the Dispute Resolution Process in which it outlined five monitoring items for full implementation of the agreements.<sup>13</sup>

<sup>10</sup> ICM, Successful Mediation Outcome, DEG Complaint 18-002 (PHC), 24 March 2023, published [online](#).

<sup>11</sup> ICM, Information statement on PHC, DEG Complaint 18-002 (PHC), 18 April 2024, published [online](#).

<sup>12</sup> ICM, Report on the Conclusions of the Dispute Resolution Process, DEG Complaint 18-002 (PHC), 19 August 2024, published [online](#).

<sup>13</sup> ICM, Report on the Conclusion of the Dispute Resolution Process, FMO Complaint 20-001/20-003 (Nyamagasani II), 31 March 2022, published [online](#).



*Grievance Redress Mechanism Office at Nyamagasani II Hydro Powerplant (Nov 2023)*

On 20 January 2023, the ICM published its first Monitoring Report, confirming three of the five items closed.<sup>14</sup> In the Report, the Panel confirmed full implementation of three issues, namely (i) the referred cases to the sub-county; (ii) cases found eligible for compensation; and (iii) the completion and ensuing actions with respect to the allegations of misconduct by company staff members. In 2023, the Panel continued to monitor the completion of two remaining pending actions: (i) the implementation of the revised project-level grievance mechanism, and (ii) the handling of the ICM complaints that were referred to the revised project-level grievance mechanism. In November 2023, the ICM reconvened the DRP dialogue forum to better understand issues affecting the performance of the local Grievance Redress Mechanism (GRM) Committee and the implementation of the DRP agreements. The dialogue led to additional commitments Frontier undertook to strengthen the GRM procedure and its implementation.

### **Activities in 2024**

Throughout 2024, the ICM maintained continuous contact with the Parties and with FMO's operational team to confirm and assess the progress in implementation of the agreements.

On 11 October 2024, the ICM published the second and final monitoring report confirming the full implementation of the DRP agreements. The ICM expressed its appreciation to all the DRP participants for their continued engagement and collaboration and closed the case.<sup>15</sup>

### **Status: Closed**

<sup>14</sup> ICM, Monitoring Report for the Period of January to October 2023, FMO Complaint 20-001/20-003 (Nyamagasani II), 20 January 2023, published [online](#).

<sup>15</sup> ICM, Final Monitoring Report for the Period of November 2022 to July 2024, FMO Complaint 20-001/20-003 (Nyamagasani II), 11 October 2024, published [online](#).

### 4.3 FirstRand Bank, Liberia/South Africa (21-001, DEG and Proparco)

#### **The Complaint**

In November 2020, the ICM received five complaints, representing five communities from around the area of the New Liberty gold mine in Liberia. The gold mine is operated by Bea Mountain Mining Corporations (BMMC), a company that received extended loans from FirstRand Bank which is a client of DEG and Proparco. The complainants allege that the gold mine caused multiple adverse impacts on neighboring communities without any proper compensation or mitigation measures to the affected people. The Panel declared the complaint admissible on 2 July 2021 and conducted a first site visit in August 2022 (with some delays due to COVID-19 restrictions).

On 2 February 2023, the IEP issued its Preliminary Assessment Report which provided an overview of the issues raised in the complaint, including the perspectives of the different parties on the issues.<sup>16</sup> Furthermore, the Panel recommended proceeding with a Dispute Resolution Process to which both parties agreed. As part of the preparation work towards the DRP, in June 2023, the Panel, together with the Mediator, met in Liberia with the parties and government officials who were invited by the parties to participate in the process as observers. In August 2023, the ICM facilitated the first joint sessions leading to the agreement on the ground rules for the dispute resolution process. From the five original complainant communities, three communities decided to withdraw from the ICM process due to various reasons.

#### **Activities in 2024**

In 2024, the ICM held three roundtable dialogue sessions to discuss the issues that were raised in the complaint. The meetings took place in Monrovia in January, April, and July. During the DRP dialogues, all complaint issues were discussed, resulting in separate agreements for each community on the issues. Besides the representatives of the communities and BMMC management, the NGO Advisors to the communities and the Government Observers attended all DRP sessions.

#### **Status: Dispute Resolution Process**

### 4.4 Niche Cocoa Ltd., Ghana (22-004 / FMO)

#### **The Complaint**

On 1 December 2022, the FMO Complaints Office received a complaint concerning FMO-Financed Operation Niche Cocoa Industry Ltd. The company is the largest privately owned cocoa processing company in Ghana, producing finished chocolate goods. The complaint was filed by workers of the company who raised several concerns regarding the company's failure to comply with labor standards. Amongst others, their concerns relate to the interference with the labor union, adequate pay, working conditions, unfair termination of employment, and the absence of a project-level grievance mechanism.

On 20 January 2023, the Panel declared the complaint admissible and published a Notice of Admissibility on the ICM webpage.<sup>17</sup> The IEP conducted a site visit in February 2023 as part of the preliminary assessment of the complaint. During the visit, the Panel met with workers of the company, labor union representatives, as well as the company's management. On 11 April 2023, the Panel published its Preliminary Review Report.<sup>18</sup> The Report provided an overview of the fifteen

<sup>16</sup> ICM, Preliminary Review Report, DEG and Proparco Complaint 21-001 (FirstRand Bank), 2 February 2023, published [online](#).

<sup>17</sup> ICM, Notice of Admissibility, FMO Complaint 22-004 (Niche Cocoa), 20 January 2023, published [online](#).

<sup>18</sup> ICM, Preliminary Review Report, FMO Complaint 22-004 (Niche Cocoa), 11 April 2023, published [online](#).



*Fourth DRP session for Niche Cocoa complaint in Tema, Ghana (Feb 2025)*

complaint issues and recommends the initiation of a DRP in light of both parties' agreement to enter a collaborative dialogue. In accordance with the Parties' mutual preference, the Panel set a deferral period to allow the newly established labor union and the company management to directly negotiate a collective agreement. Following the deferral period, in November 2023, the Panel, with the support of a local Mediator, convened the first DRP roundtable session to agree on the ground rules for the mediation and initiate discussions on the issues of the complaints. In addition to the company and the complainants' representatives, the national trade union and FMO participate in the DRP as observers.

### **Activities in 2024**

The ICM facilitated two DRP sessions in February and September 2024. With respect to issues that were addressed via the collective agreement, the ICM's DRP focused on facilitating dialogues on implementation of these agreements through concrete action steps developed jointly by all participants in the DRP. With respect to the remaining issues, the ICM continues to facilitate a platform for dialogue with the view to achieving resolutions of all issues of the complaint. In 2025, the DRP is expected to continue.

In addition, the ICM has initiated monitoring in parallel with the continuation of the DRP with respect to agreed implementation plans and dialogue outcomes. The ICM's monitoring is conducted through regular check-in meetings, hybrid joint monitoring sessions, with the support of the ICM's local Mediation team.

### **Status: Dispute Resolution Process**



## 5. Lessons Learned

Reflecting on its casework in 2024, the Panel identified several cross-cutting issues that offer valuable insights both into the ICM's procedures and its interaction with the DFIs more broadly. These learnings highlight key areas for improvement and innovation.

### (i) Access to effective remedy in ICM processes

Effective Remedy is a human right firmly laid down in normative frameworks including the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Good international practice asserts that remedy can and should be facilitated through processes of dispute resolution as well as compliance review in situations of non-compliance and harm. This means that in cases where a project has been found harmful, effective remedy should be provided. Appropriate remedy may vary significantly depending on the case and its circumstances, and could take the form of restitution, compensation, rehabilitation, satisfaction, guarantees of non-repetition, or a combination hereof. The Panel remains strongly committed to facilitating access to effective remedy through its dispute resolution and compliance review processes in a manner that is consistent with the international principles on business and human rights. In addition, through its casework, the Panel observes the need to strengthen within the DFIs the understanding that the DFIs' responsibilities under their environmental, social and human rights policies continue even when a complaint has been filed with the ICM. That includes the DFIs' responsibility to ensure remediation of harms associated with their financed operations, especially where such harms are the result of non-compliances. The DFIs should strive to address such harms and any non-compliances known to them and not wait for affected individuals to file complaints or for ICM to complete its processes.

### (ii) The ICM's monitoring role

In 2024, the ICM was engaged in monitoring in multiple cases, both following compliance review and DRPs. The Panel considers the monitoring phase an integral and important part of its complaints handling mandate, critical to ensure lasting positive outcomes as a result of its processes. In relation to compliance reviews, the Panel conducts site visits and interviews and may hire technical experts as necessary. In relation to DRPs, the Panel found that effective and proactive monitoring is critical to establishing parties' trust in the ICM process and ensure sustainable results. The shift from the DRP to the monitoring phase may need to be managed flexibly. For example, the ICM initiated monitoring activities with respect to partial agreements already during the DRP phase, in parallel with continued dialogues on remaining issues. Similarly, where necessary and depending on the willingness of the parties, the Panel may reconvene the DRP forum during the monitoring phase, e.g. to address any gaps in the implementation of agreements or any differences of views between the parties in respect of the correct interpretation of agreements.

### (iii) Inadmissible cases due to lack of representation authorization

In 2024, the ICM received a couple of complaints that raised serious concerns in relation to DFIs-financed operations. However, because the complainants were not themselves directly affected individuals and they failed to provide authorization of representation from those who are directly affected, the Panel had to declare them inadmissible pursuant to the admissibility criteria laid out in the ICM Policy. The Panel observes that, in some cases, there may be good grounds to justify an independent compliance review on the basis of information received not by directly affected people. There are various reasons that may prevent affected individuals from filing a complaint with the ICM, including fear of retaliation, social stigma, or lack of awareness about the mechanism. In such cases, serious harms may remain unaddressed and important institutional learning may be lacking. In light of this, the Panel observes that, at times, public-interest complainants or whistleblowers are well placed to bring complaints to the ICM, while taking careful consideration of the viewpoints of affected people. It is thus recommended to consider giving standing to public interest complainants in certain circumstances.

**(iv) A Management Action Plan (MAP) to remediate harm and give effect to the ICM’s recommendations**

In the past year, the ICM had two ongoing Compliance Review cases, which are currently in the monitoring phase. Following the Panel’s findings of non-compliance and recommendations, the Management Board of the DFIs can develop and implement a Management Action Plan (MAP) to remediate harm and give effect to the ICM’s recommendations. Last year, the Panel had its first experience with the development and implementation of a Management Action Plan (MAP) by the Management Board of the DFIs in response to findings of non-compliance and recommendations of the Panel. A MAP is a time-bound set of actions committed to by Management that typically address (i) changes to policies, systems, procedures or guidance of the DFI to avoid current and future situations of non-compliance; (ii) operation-specific actions to bring the DFI back into compliance with respect to the Financed Operation which is the subject of the complaint and address harms that are not specific to Complainants; and (iii) actions to remediate harm to Complainants. Under international good practice, agreement needs to be reached with the client on these measures prior to MAP finalization as many remedial measures ultimately require implementation by the client. The draft MAP is therefore prepared in consultation with the client. To ensure effective remedy and alignment with ICM’s findings and recommendations, the Panel recommends that the draft MAP be consulted with the Panel and the complainants, and subsequently approved by the DFI’s Supervisory Board.

**(v) Continuous management of retaliatory threats is essential for the safety and security of complainants**

Across the world, individuals standing up for human rights, including the right to a safe, clean, healthy, and sustainable environment, are increasingly facing threats, violence, and retaliation. The Panel is concerned by the increase of retaliatory threats either directly from the project or from government and/or local authorities reported by complainants across several ICM cases. Complainants and other parties (such as complainant family members, translators, other project-affected people) are commonly subject to retaliatory behavior. The Panel observes that continuous management of these issues is essential to maintain the safety and security of complainants. In line with the 2021 ICM Non-Retaliation Statement on Addressing Risks of Reprisals related to ICM operations, the Panel remains committed to work in close collaboration with the DFIs and parties to minimize reprisal risks as much as possible.

## 6. Outreach Activities

In 2024, the ICM participated in various outreach engagements. These engagements are important for enhancing the Mechanism's accessibility and visibility and thus, its effectiveness.

### **Independent Accountability Mechanisms Network Outreach Workshop in East-Africa**

In June 2024, the ICM participated online in the Independent Accountability Mechanisms (IAM) Network Outreach workshop that was organized jointly by nine IAMs and CSOs in Nairobi, Kenya.<sup>19</sup> By virtually presenting the Mechanism to CSO representatives from the East-African region, the ICM shared information about ICM's mandate and functions, and informed participants of the upcoming public consultation process expected to take place in 2025 as part of the ICM Policy Revision Process.

### **CSO Outreach event in Accra**

In September 2024, the ICM organized an in-person outreach engagement with CSOs leaders in Ghana. The purpose of the meeting was to inform civil society and community organizations of the ICM, its mandate and Policy Revision process, and alert CSOs of the upcoming public consultation. In the course of the exchange, CSOs shared views and knowledge about ways to improve accessibility to the ICM, as well as expectations with regard to accountability and remedy in development finance projects.



*Presentation and workshop of ICM Panel with CSO members in Accra, Ghana (Sept 2024)*

<sup>19</sup> The Complaints Mechanism of the European Investment Bank served as the lead IAM organizer and sponsor. The International Accountability Project was the organizing lead CSO. See also: World Bank Accountability Mechanism, "Strengthening Accountability in East Africa", 2 July 2024, available [online](#).

### **World Bank Annual Meetings in Washington DC**

In October 2024, the ICM participated as an observer in the Annual Meetings of the World Bank which took place in Washington DC. During the days of the event, the ICM connected with known and new stakeholders and civil society representatives to inform them about the ICM's upcoming public consultation process on the revised ICM Policy. A special meeting related to ongoing Policy Revisions at IAMs was organized by the IAM of the Asian Infrastructure Investment Bank (AIIB) with CSOs at the office of the Accountability Counsel.

## 7. Institutional Learning and Exchange

### CAO-ICM Knowledge Exchange for Dispute Resolution cases

In April and in November of 2024, the ICM co-organized knowledge exchange sessions with the Dispute Resolution team of the Office of the Compliance Advisor Ombudsman (CAO) of the IFC. In April, the discussion revolved around injecting compliance objectives into a Dispute Resolution process. In November, the teams discussed approaches to structuring mediation teams and the role of mediators.

### Participation in the IAM Network Annual Meeting in Manila, the Philippines

In September 2024, the ICM participated in the Annual Meeting of the Independent Accountability Mechanisms Network (IAMnet), a global network of 23 accountability mechanisms linked to Development Finance Institutions around the world. The network facilitates learning and exchanges of good international practice on complaints-handling and institutional development of IAMs. The 2024 Annual Meeting was held in Manila, the Philippines, and co-organized by the accountability mechanisms of the Asian Development Bank (ADB) and the Green Climate Fund (GCF).

### Participation in Workshop on Threats and Reprisals organized by DFC-IAM

On 3 December 2024, the ICM Panel participated in the workshop on threats and reprisals that was organized by DFC-IAM. During the workshop, participants discussed scenarios taken from real cases in which complainants face intimidation and fear of reprisals due to speaking up against harms related to a development project. IAMs members and external experts trained participants on effective methods to minimize reprisals risks for complainants.



Group picture of the 21st IAMnet Annual Meetings organized by ADB and GCF in Manilla, Philippines (Sept 2024)



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