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Activity Report 2023

The Environmental and Social Complaints Mechanism

The AFD Environmental and Social (E&S) Complaints Mechanism enables any individual, group of people or NGO affected by the environmental or social aspects of an AFD-financed project to file a complaint with AFD. This report presents the results for the year 2023 and the outlook for 2024.

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FOCUS

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Foreword

The year 2023 saw the **pace of complaints filed** increase again with 27 complaints received. It also saw the completion of a capitalisation exercise that **gave voice to all of the Mechanism's stakeholders**. The result was a wealth of learnings that will enable us to continue to improve through an ambitious roadmap focused on two overarching goals: How can we better respond to the complainants' concerns? How can we make better use of the complaints for the continuous improvement of our practices?

Broader themes for thought were also identified relating to monitoring at-risk projects and building connections between the Mechanism and the other functions at AFD (Evaluation, Sustainable Development Analysis and Opinion). As an extension of this, in 2024, we will continue to reflect on fighting the retaliations possibly experienced by people who refer a complaint to us.

It is worthwhile pointing out that the missions of the Mechanism unfold in a complex and sensitive way. More specifically, they presuppose exchanges involving the complainants, project sponsors, independent experts and AFD's various operational teams at headquarters and in the Network, who all have different and often diverging priorities and constraints. These discussions help to give a better understanding of the issues. In addition to the processing of the complaints themselves, these discussions also help the project teams to identify concrete actions that fully contribute to the continuous improvement of our operations, which is one of the purposes of the Mechanism.

I would like to thank the Mechanism's Complaints Office, and especially Mélanie Corbé, for preparing this report, and wish you all an enjoyable read.

Catherine Garreta, Ethics Advisor and Internal Mediator

Message from the Director of Strategy



The work carried out in the capitalisation exercise is consistent with the strategic sequence unfolding around the new AFD Group Strategic Guidelines 2024-2029. These Guidelines aim to ensure that the Group is fully aligned with the Sustainable Development Goals, based on four commitments. First of all, consolidate the Group to serve the three following commitments: a commitment to attention and respect – the Group positions itself **“by your side”**; next, a commitment to quality and impact – a Group that is **100% SDG-aligned**; and lastly a commitment to amplification and influence – the Group participates in its ecosystem as a **mobilisation platform**.

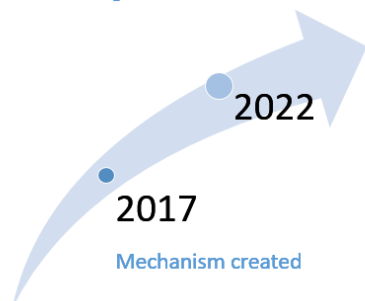
The Environmental and Social Complaints Management Mechanism resonates in particular with the **“by your side”** commitment as it establishes a direct link between AFD and the people who benefit from our projects in the field. This link enables us to propose a capacity for referral, then a space in which to dialogue and search for solutions for those who file their complaints with us. The Mechanism also contributes to our **SDG** alignment as it provides access to the right to seek remedy on equal terms and also furthers the commitment to set up effective, accountable and transparent mechanisms at all levels to support decision-making, in connection with SDG16 *“Peace, justice and effective institutions”*.

At its inception, the Environmental and Social Complaints Management Mechanism with its Complaints Office was entrusted to the Strategy Department and placed under the supervision of the Ethics Advisor. It is, in fact, part of our corporate social responsibility, which stands as a key component of our strategy, and constitutes a unique and concrete dimension of this strategy.

Philippe Jahshan, Director of Strategy, Foresight and Official Relations

FOCUS

➔ Capitalisation...



1 questionnaire sent to complainants



10 interviews conducted



Learnings...

80% of complaints concern **infrastructure** projects



Mobility



Urban renovation



Water and sanitation



Energy



70% of complaints come from Africa

Environmental and social impacts

most often reported:



Lack of consultation



Negative environmental impacts (various types of pollution, damage to biodiversity, noise pollution...)



Expropriation and resettlement of people



Expectations...



1 in 2 complainants thought they would receive financial compensation by referring their complaint to the Mechanism



9 in 10 complainants found the Mechanism's referral process easy or quite easy



70% of complainants consider their expectations on the count of being listened to and receiving answers to their questions were met

1. PRESENTATION OF THE MECHANISM

AFD's Environmental and Social (E&S) Complaints Management Mechanism¹ (hereafter "the Mechanism") is an out-of-court (extra-judicial) mechanism enabling any individual or group of people affected by the environmental or social aspects of an AFD-funded project to file a complaint.

The Mechanism offers an amicable, additional and subsidiary recourse to populations negatively impacted, environmentally and/or socially, by an AFD-funded project and thereby contributes to the continuous improvement of our operations.

The Mechanism is managed by the Complaints Office hosted by the AFD's Strategy Department and supervised by the Ethics Advisor, which is an independent position reporting to AFD Group's Senior Management. Its Rules of Procedure document is available on AFD's website.²

To be registered, a complaint must fulfil the following criteria:

- concern an AFD-financed project in a foreign country, except for projects that AFD funds under the CSO Initiatives Facility, geared to civil society organisations, and under the French Facility for Global Environment (FFEM),³
- be received within two years from the time the complainant becomes aware of the facts and, within no more than five years after AFD's final disbursement, whether this be a loan or a grant,
- address environmental and social damage,
- describe the prior efforts made to resolve the dispute with the beneficiary of the financing. The complaint must thus be made as a last resort, when the claimant has unsuccessfully pursued the extra-judicial remedies provided to them by the beneficiary of the financing. Should it be impossible for the complainant to take these steps due to the risk of aggravating the dispute, they must justify this in the complaint.

Once registered, the complaint undergoes an eligibility assessment to check whether it meets the eligibility criteria⁴ and recommend which type of treatment provided by the Mechanism should be applied, i.e., the implementation of a conciliation and/or a compliance audit:

¹ <https://www.afd.fr/en/e-s-complaints-mechanism>

² <https://www.afd.fr/sites/afd/files/2022-10-11-24-53/afd-rules-procedure-environmental-social-complaints-mechanism-2022.pdf>

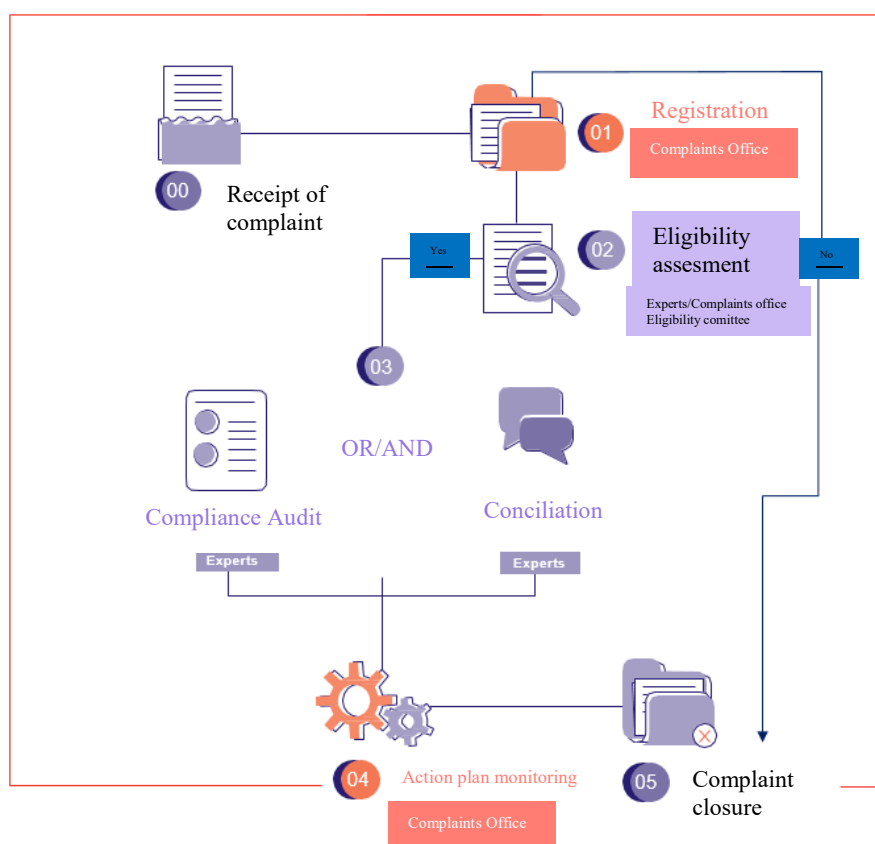
³ The scope of the Complaints Mechanism matches that of AFD's E&S risk management approach. Projects launched by CSOs and the French Facility for Global Environment (FFEM) apply other standards and are not eligible for the remedies proposed by the Mechanism.

⁴ The eligibility criteria for either one of the processing types are detailed in the Rules of Procedure and aim to establish whether the complaint is eligible for conciliation or a compliance audit or both.

- Conciliation involves proposing the intervention of a neutral, independent and impartial third party to help find an agreement between the complainant or their representative and the beneficiary of the AFD financing to resolve the dispute that gave rise to the complaint.
- The objective of the compliance audit is to determine whether or not AFD has complied with its E&S risk management approach on a project it has financed.

An Eligibility Committee chaired by the Ethics Advisor decides on the eligibility and type of processing based on the eligibility assessment and the independent expert's recommendation. When appropriate, the complaint may be considered ineligible for processing by the Mechanism.

The Mechanism's management process for claims received



Independent expertise is core to the functioning of the Mechanism: the experts intervene in the different stages of the eligibility process, conciliation and compliance audit.

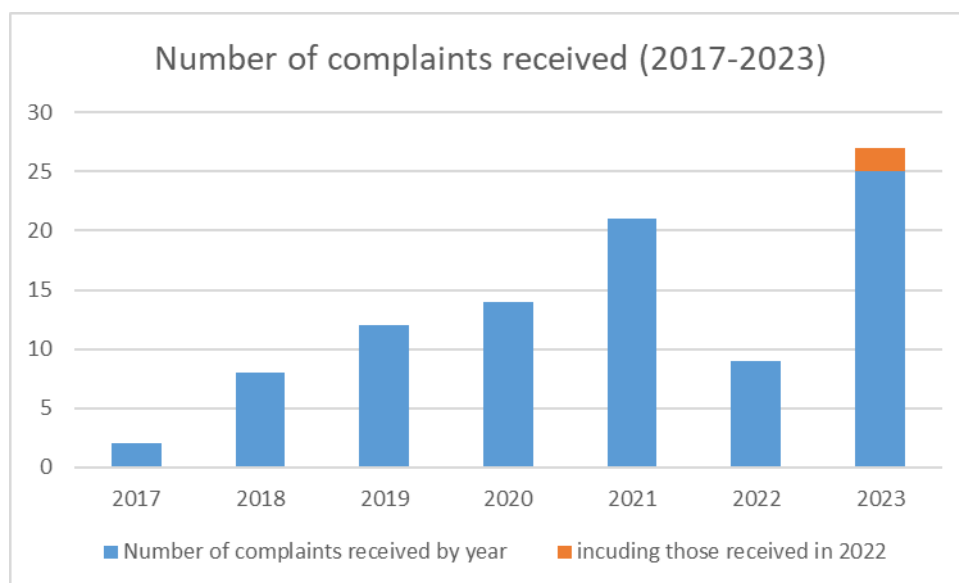
Note that in 2019 Proparco, AFD Group's private sector financing arm, joined a similar complaints management mechanism created by its counterparts DEG (Germany) and FMO (Netherlands), with which it regularly cofinances projects. Four complaints were received in 2023. AFD's and Proparco's mechanisms exchange information on their respective activity and, when necessary, work in close collaboration. Further information on Proparco's mechanism is available on its dedicated website page.⁵

⁵ [ICM | Proparco - Groupe Agence Française de Développement](#)

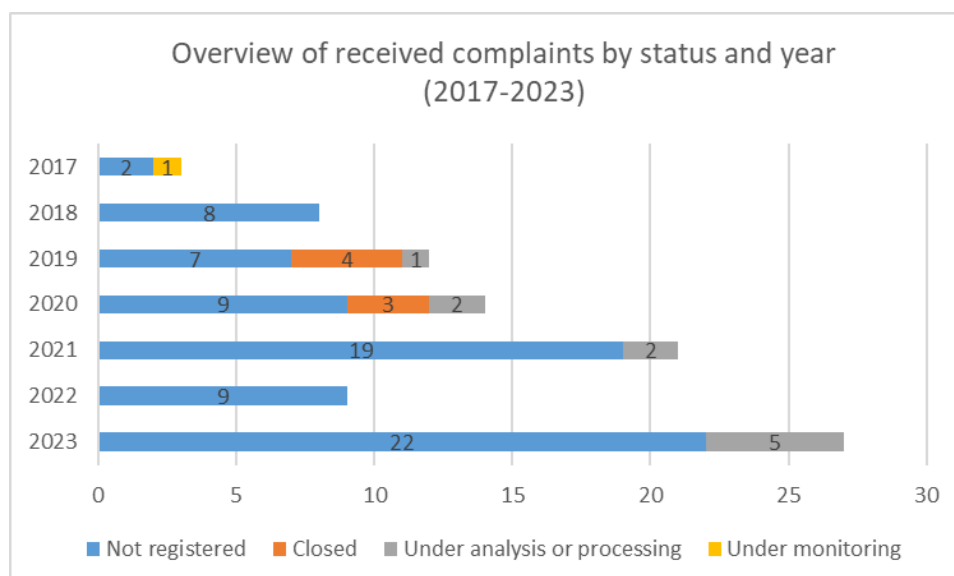
2. OVERVIEW OF THE COMPLAINTS ACTIVITY

EVOLUTION OF COMPLAINTS RECEIVED

Since its creation in 2017, the Mechanism has received **95 complaints**. Whereas the year 2022 showed a drop in the number of complaints with 9 complaints received, 2023 marked a sharp rebound with **25 complaints received**, added to which are 2 complaints received in 2022, but which only underwent consultation in 2023 following an IT malfunction. These 2 complaints have since been processed.



The number of complaints under analysis or processing can be explained by the number of complaints received since 2017 and by the time needed for processing, which can be highly variable depending on the complexity of the complaint, the associated impacts and the actors' response time.



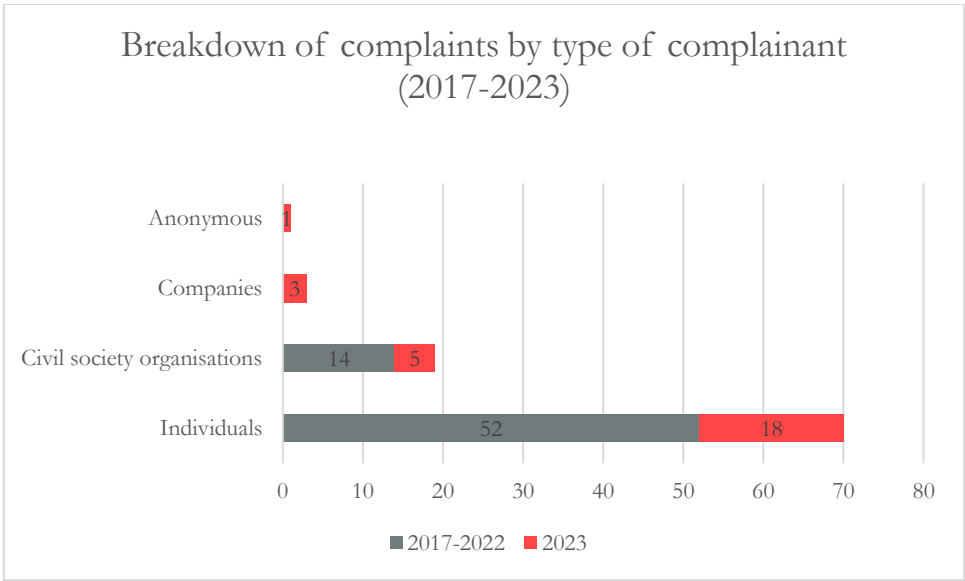
COMPLAINTS BY COUNTRY

In 2023, the complaints came from 18 different countries from widely diverse origins, particularly from countries recently integrated into AFD's area of operations (Uzbekistan in 2012 and Kosovo in 2018). Since 2017, complaints have been received from 41 different countries spread across three continents. However, 70% of the complaints come from the African continent.

Complaints by country of origin (2023)	Number of complaints
Syria	1
Niger	1
Congo	2
Jordan	2
Cameroon	3
Uzbekistan	1
Colombia	1
Chad	1
Benin	1
Guinea-Conakry	1
Madagascar	2
Kosovo	1
Sri Lanka	1
Tunisia	2
Pakistan	1
South Africa	1
Djibouti	1
Kenya	1
Multi-country	2
Undetermined	1

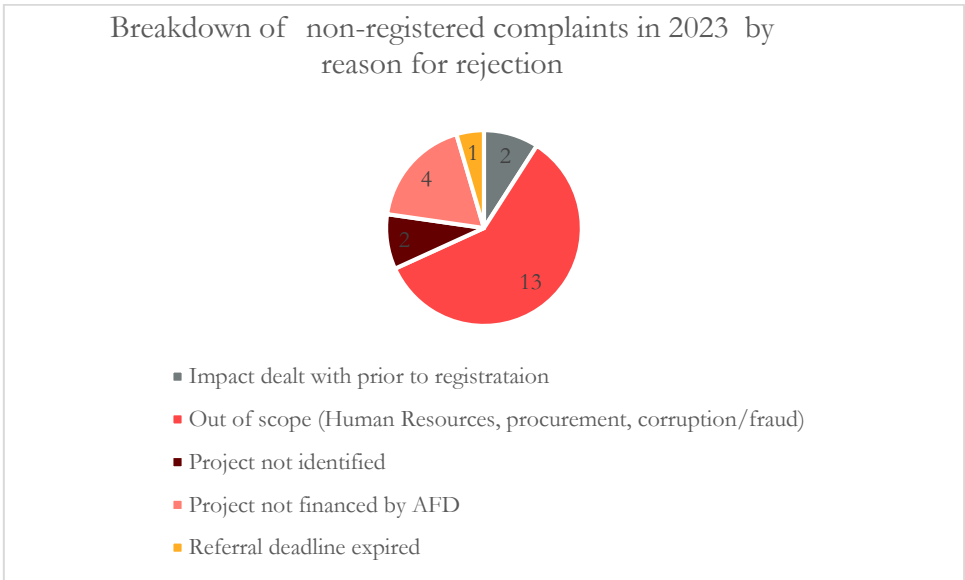
COMPLAINTS BY TYPE OF COMPLAINANT

Two-thirds of the received complaints are filed by individuals and almost 20% by civil society organisations or residents' collectives. The complaints filed by companies relate to “procurement” subjects that are outside the remit of the Mechanism.



REASONS FOR NON-REGISTRATION OF COMPLAINTS

In 2023, 22 of the 27 complaints received did not fulfil the criteria for registration. The chart below shows the reasons for their rejection.



Although not formally registered, these complaints enabled work to be done, when possible and relevant, on informing, facilitating and awareness-raising at the level of AFD's project teams and the beneficiaries of the financing, which can contribute to resolving disputes. The Mechanism's out-of-scope complaints are systematically redirected and handled by the relevant AFD departments.

3. Complaints processed in 2023

1- REGISTERED COMPLAINTS



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Project	Project for a vocational training centre	Location	Central Africa
Reported impacts	A complaint was filed alleging illegal logging and a possible case of land-grabbing.		
Complainant	An individual	Date of receipt	March 2023
Processing stage	Eligibility assessment	Status	Awaiting the counterparty's agreement to transmit the environmental and social documentation to the expert.
Mechanism's actions	Exceptionally, the Mechanism assigned the registration phase of this complaint to an independent expert as the information provided needed to be discussed in-depth. The complaint was registered but the difficulties encountered during this phase, in view of clarifying the impacts and their location, may complicate the proper execution of the eligibility assessment.		



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Project	Dam project	Location	Central Africa
Reported impacts	A complaint was filed alleging impacts related to: <ul style="list-style-type: none"> - Definition of the environmental and social impact study area - Rural exodus driven by the decline in sources of income - Disruption of pirogue crossings due to flooding - Disruption of income-generating activities (fishing, hunting, agriculture, etc.) 		
Complainant	A cooperative	Date of receipt	April 2023
Processing stage	Compliance audit	Status	In progress
Mechanism's actions	The Eligibility Committee declared the complaint eligible for a compliance audit, consistent with the recommendations of the eligibility assessment. The compliance audit is ongoing.		

2- COMPLAINTS UNDER ANALYSIS



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Project	Dam project	Location	Central Africa
Reported impacts	In the context of service provision to the project sponsor, A complaint was filed alleging a failure to pay fees and reimburse expenses.		
Complainant	An individual	Date of receipt	June 2023
Processing stage	Pre-registration	Status	In progress
Mechanism's actions	The object of the complaint was handled with the country's AFD office. The Mechanism is still waiting for the actual payment of funds. The complaint will be closed upon confirmation.		



© Sylvain Cherkaoui / AFD

Project	Water and sanitation project	Location	South Asia
Reported impacts	A complaint was filed alleging impacts on the highway (dirt, mud, flooded area).		
Complainant	An individual	Date of receipt	August 2023
Processing stage	Pre-registration	Status	In progress
Mechanism's actions	After many internal and external discussions, the Mechanism now has all of the elements enabling registration of the complaint, but the complainant has not agreed to the proposed treatment tools. The Mechanism is awaiting the complainant's response.		



© Cyril Tourneur d'Ison

Project	Urban development project	Location	North Africa
Reported impacts	In the context of a citizen consultation, the president of a local association filed a complaint alleging irregularities in the conduct of the voting.		
Complainant	A local association	Date of receipt	September 2023
Processing stage	Pre-registration	Status	In progress
Mechanism's actions	The complaint provided the opportunity for multiple exchanges with the project team and the NGO responsible for organising the citizen consultation. At this point, the Mechanism is waiting for the available non-judicial remedies to be exhausted.		

3- COMPLAINTS BEING PROCESSED



© Prashanth Vishwanathan

Project	Collective urban transport project	Location	West Africa
Reported impacts	A complaint was filed alleging social harm during the implementation of the Resettlement Action Plans (PARs), as well as the inadequacy of the consultation with the people affected by the project.		
Complainants	A collective and an ONG	Date of receipt	June 2019
Processing stage	Compliance audit	Status	In progress
Mechanism's actions	<p>The complaint underwent an on-site eligibility assessment conducted jointly by an independent expert and the independent inspection mechanism of the development bank associated with the financing.</p> <p>The Eligibility Committee declared the complaint eligible for conciliation, which the parties agreed to, as well as a compliance audit.</p> <p>The Mechanism called on AFD's internal mediator to conduct the conciliation jointly with the conciliator of the associated development bank. The conciliation, which involved several meetings and support work from a local consultant, was closed in November 2021. It enabled the resolution of a number of cases, but it was deemed that no further progress could be made towards a broader agreement. This part of the complaint is closed.</p> <p>The action plan established on the basis of the compliance audit is being validated.</p>		



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Project	Sanitation Project	Location	North Africa
Reported impacts	The complaints were filed alleging the absence of public consultation and the potential pollution of an oasis.		
Complainants	An individual and an ONG	Date of receipt	July/August 2020
Processing stage	Compliance audit	Status	In progress
Mechanism's actions	<p>The complaints underwent an eligibility assessment which recommended that a compliance audit be conducted.</p> <p>The Eligibility Committee declared the complaint eligible for a compliance audit.</p> <p>The compliance audit is in progress.</p>		



© Kibuuka Mukisa Oscar

Project	Sanitation project	Location	North Africa
Reported impacts	A complaint was filed alleging irregularities in the environmental and social due diligences.		
Complainant	An NGO	Date of receipt	April 2021
Processing stage	Compliance audit	Status	In progress
Mechanism's actions	<p>The complaint underwent an eligibility assessment which recommended that conciliation and a compliance audit be carried out.</p> <p>The Eligibility Committee declared the complaint eligible for conciliation and a compliance audit.</p> <p>As the parties reached no agreement, the conciliation could not be conducted. This part of the complaint is thus closed.</p> <p>The compliance audit is in progress.</p>		



@YHA

Project	Urban development project	Location	Central Africa
Reported impacts	A complaint was filed alleging the absence of compensation following the complainant's expropriation from their land.		
Complainant	An individual	Date of receipt	January 2021
Processing stage	Pre-registration	Status	In progress
Mechanism's actions	<p>The Mechanism contacted the operational teams who were able to monitor the situation with the counterparty.</p> <p>An initial third of the amount due was paid to the current owner in May 2022. A second payment was made in November 2023. The municipal authorities have committed to pay the balance due in 2024.</p> <p>In light of the context and ongoing dialogue between the parties, the Mechanism deemed that it was not necessary to register the complaint for an amicable solution to the complaint to be found.</p>		

COMPLAINTS UNDER MONITORING⁶



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Project	Rainwater drainage project	Location	Central Africa
Reported impacts	A complaint was filed alleging the absence of compensation following the complainant's expropriation.		
Complainant	An individual	Date of receipt	July 2017
Processing stage	Compliance audit	Status	Under monitoring
Mechanism's actions	<p>The complaint underwent an eligibility assessment, which recommended carrying out conciliation and a compliance audit.</p> <p>The Eligibility Committee declared the complaint eligible for conciliation and a compliance audit.</p> <p>The conciliation resulted in an agreement. This part is closed.</p> <p>Based on the compliance audit, AFD published an action plan now being monitored by the Mechanism.</p>		
Monitoring of the action plan's recommendations	<p>Analyse the cases of non-compliance observed in the implementation of this project</p> <p>A decentralised ex-post evaluation of the project was performed in 2022 with particular attention paid to how resettlement issues were dealt with</p> <p>The drainage project now has a tender in progress for a specific evaluation. The subject of the Resettlement Action Plan is one of the four</p>		

⁶ Complaints in the monitoring phase are those for which an action plan has been proposed following a compliance audit. The Complaints Office then monitors the progress made by the action plan.

questions retained for this evaluation. The process should be completed by the end of 2024.

Enhance the quality of projects financed in Central Africa and involving resettlements

In 2019, AFD assigned an E&S expert to its new Central Africa regional office. This appointment aimed to establish common practices to limit the impacts of resettlements, while at the same time ensuring fairer compensation. The way in which a project is structured with respect to population resettlement has thus been rethought.

Improve AFD's practices on future financing for projects that involve resettlements

AFD is pursuing the objective of reducing resettlements to a minimum in the projects it finances. As a result, for a project to renovate a railway line in Central Africa, no population displacement took place as the renovation was limited to existing rights of way.

AFD is thus engaging a public policy dialogue on the theme of expropriation, strongly encouraging alternative solutions.

4. Learnings and outlook

KEY LEARNINGS FROM 2023

Activity

The year 2023 saw a rise in the number of complaints received. Of the 27 complaints received 2 were registered. Additionally, 9 complaints are under analysis or being processed.

Internal awareness-raising

As it is crucial that the Mechanism's missions be better understood internally (both at headquarters and in the Network), the year 2023 was an opportunity to implement several awareness-raising actions for AFD teams. The subjects covered include the most representative impacts and geographies, attention to co-financing, the usefulness of the clause that presents the Mechanism in agreements. These topics were presented a dozen times in the course of the year, sometimes to broad-based audiences so as to reach as many people as possible. The presentations always afford an opportunity to deepen the understanding of the Mechanism's role, missions and functioning. They also serve as a reminder of the purposes of amicable dialogue and the continuous improvement of AFD's operations.

Capitalisation

Introduced in 2022, the capitalisation approach aimed to explore the lessons to be learnt from the complaints received since the inception of the Mechanism in 2017, as well as the perception of the different stakeholders. An analysis of complaint-related documentation, surveys and interviews provided a wealth of lessons to be learnt and resulted in a roadmap based on two overarching principles along with points to ponder:

- **How can we better respond to the complainants' concerns?** Accessibility, clarification of missions and an analysis of a complaint's life cycle are all subjects that prompted actions to improve the efficiency of the Mechanism.
- **How can we make better use of the complaints for the continuous improvement of our operational practices?** The results of the capitalisation tend to show that the Mechanism needs to ramp up its coordination with the teams responsible for AFD's environmental and social risks management, evaluation⁷ and the unit in charge of the Sustainable Development ratings.⁸

Reflections on these points are to be continued, notably the internal monitoring of at-risk projects, direct awareness-raising for the counterparties more specifically concerned by high environmental and social risks, and the place given to complainants within the Mechanism (compliance audit, consultation on fundamental subjects).

⁷ [Evaluations | AFD - Agence Française de Développement](#)

⁸ [The Sustainable Development Mechanism | AFD - Agence Française de Développement](#)

Fighting retaliation

Following on from the capitalisation approach, the Mechanism wished to initiate a project on the fight against retaliation which complainants who refer to the Mechanism may experience. Thanks to this project, the Mechanism conducted a benchmark and carried out internal interviews. Support from the experts on the panel was also requested (organisation of workshops and support on methodology).

OUTLOOK

The year 2024 will see the completion of the concrete actions identified in the action plan drawn up following the capitalisation exercise. Firstly, these actions aim to **better respond to the complainants' concerns** by enhancing accessibility and clarifying the Mechanism's missions. Also, mindful that processing time may be perceived as lengthy, a granular analysis of the endogenous and exogenous reasons for this could help to manage the process or, at least, explicit it. Secondly, these actions aim to **make better use of the complaints in view of the continuous improvement of our operational practices** by pursuing the awareness-raising and training sessions within AFD and by consolidating the Mechanism's links with certain departments such as that in charge of the Sustainable Development Analysis. Lastly, these actions will focus on **broader reflections**. This may involve questioning the relation with complainants, relations with counterparties and the monitoring of projects at risk within AFD. This roadmap has already spurred a reflection on fighting retaliation, which should produce results in 2024.

The **independent experts mandate** that has accompanied the Mechanism since 2020 will be coming to an end. A call for tenders will be launched to renew this framework agreement with the objective of keeping this network operational as it is a crucial pillar for the relevance of the analyses and independence of the Mechanism.

Agence Française de Développement (AFD) implements France's policy on international development and solidarity. Through its financing of NGOs and the public sector, as well as its research and publications, AFD supports and accelerates transitions towards a fairer, more resilient world. It also provides training in sustainable development (at AFD Campus) and other awareness-raising activities in France.

With our partners, we are building shared solutions with and for the people of the Global South. Our teams are at work on more than 3,250 projects in the field, in the French Overseas Departments and Territories, in 115 countries and in regions in crisis. We strive to protect global public goods – promoting a stable climate, biodiversity and peace, as well as gender equality, education and healthcare. In this way, we contribute to the commitment of France and the French people to achieve the Sustainable Development Goals (SDGs). Towards a world in common.