CAF DEVELOPMENT BANK
OF LATIN AMERICA
AND THE CARIBBEAN

GUIDE TO SUPPORT THE DESIGN AND IMPLEMENTATION OF A GRIEVANCE AND COMPLAINT MECHANISM (GCM) AT THE PROJECT LEVEL FOR CAF OPERATIONS

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Guide to support the design and implementation of a Grievance and Complaint Mechanism (GCM) at the project level for CAF operations

CONTENT

ABBREVIATIONS AND ACRONYMS

TERM	CONCEPT/DESCRIPTION
RM	Risk Management
GCM	Grievance and Complaint Mechanism
ESGM	Environmental and Social Grievance Mechanism
EA	Executing Agency
CO	Country Office
PAITI	Policy on Access to Information and Institutional Transparency
MAW	Mechanisms for the Advancement of Women
ESMP	Environmental and Social Management Program
PSCAS	Environmental and Social Monitoring and Management Program
URASC	Environmental, Social, and Climate Risk Unit
GBV	Gender-Based Violence

SUMMARY

The purpose of the Guide to support the design and implementation of a Grievance and Complaint Mechanism (GCM) is to provide guidance on the design and implementation of Grievance and Complaint Mechanisms (GCMs) that allow communities impacted by CAF-financed projects to express concerns and raise issues in a fair and equitable manner. These mechanisms are designed to ensure transparency, promote accountability, and facilitate the early resolution of conflicts that may arise from the environmental and social impacts of projects.

This guide is based on the principles of impartiality, accessibility, confidentiality, and transparency, and highlights the importance of involving communities from the early stages of projects to ensure their voices are heard and considered. It also recognizes the need to adapt GCMs to specific gender realities, as women and other vulnerable

groups are often disproportionately affected by the adverse consequences of poor project implementation. To this end, the guide encourages measures to ensure that women and other vulnerable groups have safe access to GCMs, including the creation of safe spaces and the provision of psychological and legal support for complainants.

The GCMs include the following considerations:

- they must be operational throughout all phases of the project, adapted to the specific context (e.g., Indigenous peoples' rights, gender, whistleblower protection), and offer accessible and transparent channels;
- it is essential to **train borrowers**, executing agencies (EAs), contractors, and supervisors, and to promote knowledge-sharing and international collaboration to optimize grievance management;
- it is important to establish clear indicators, **ensure flexibility** to adapt to changes, and maintain the mechanism's operability even after project completion, especially in vulnerable communities.

The guide is divided into five chapters. Chapter I introduces the conceptual framework, presenting the GCM as a tool to manage environmental and social risks, including gender-related risks, in CAF-financed projects. The objective is to provide affected individuals and communities with an accessible and effective channel to express their concerns and to anticipate potential conflicts in a just manner. This chapter also highlights key principles such as impartiality, transparency, accessibility, and the importance of engaging communities from the early stages. It also references international best practices for designing and implementing GCMs, emphasizing community participation and the prevention of retaliation.

The second chapter focuses on the design and management of GCMs. It details the design process, from contextual diagnosis to implementation and continuous improvement. The importance of conducting a contextual diagnosis to assess the specific needs and risks of the project is emphasized. It also highlights the need for planning, implementation, monitoring, and evaluation to ensure the effectiveness of GCMs and to guarantee that they remain dynamic tools that evolve in response to the needs of both the project and the communities involved.

The third chapter addresses CAF's Environmental and Social Safeguards and explains how GCMs are an integral component that ensures affected communities have access to mechanisms for voicing their concerns. This chapter underscores principles such as accessibility, transparency, and respect for privacy. It also explains how these safeguards ensure that projects comply with national and international regulations, minimizing negative impacts and maximizing benefits for communities.

The fourth chapter, which addresses gender and grievance mechanisms, emphasizes the importance of integrating a gender perspective into GCMs to ensure that women have safe and equitable Access to grievance mechanisms. It acknowledges that structural inequalities and marginalization often pose barriers for women in asserting their rights. Strategies are proposed to adapt disclosure and grievance mechanisms, such as creating safe spaces, involving independent facilitators, and establishing support networks to foster an inclusive and protective environment.

The fifth and final chapter focuses on retaliation management. It outlines the contextual and structural challenges that heighten the risk of retaliation, such as limited institutional capacity and power imbalances. It also presents strategies to prevent retaliation, including the implementation of zero-tolerance policies, stakeholder training, and the adaptation of information disclosure practices. The chapter further underscores the importance of a coordinated and proactive approach to ensure the safety of claimants and to foster participation without fear of reprisals.

In line with recognized good practices, the guide lays out key principles for designing and implementing GCMs.

- Design of mechanisms adapted to the local context, taking into account customary conflict resolution mechanisms and existing organizational structures.[1]

- Project management and supervision that recognize the importance of an effective grievance mechanism for risk reduction and enhanced project outcomes.

- Early identification and design of conflict-resolution strategies based on those established by the GCM and integrated into the project's stakeholder engagement mechanisms.

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[1] The usual dispute resolution mechanisms refer to ordinary or traditional justice systems, within the framework of the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP).

- Transparency, communication, participation, and dialogue as essential strategies to inform and consult stakeholders about the mechanism's design and operation. Dialogue is considered a restorative[2] and transformative method for addressing and resolving grievances stemming from project operations—except in cases of gender-based violence (GBV), which do not permit mediation.

- Coordination and integration (interoperability) with the broader grievance redress ecosystem, including both state and non-state conflict resolution mechanisms at the local level. These may include community-based organizations, labor unions, justices of the peace, local governments, the grievance mechanisms of service providers or banks, and the judiciary. In relation to GBV, it is crucial to coordinate with the Mechanisms for the Advancement of Women (MAW),[3] and with systems for addressing GBV cases through locally relevant support services, since mediation is not appropriate, and instead responsible referrals are needed.

2 Dialogue as a restaurative method refers to an approach to conflict resolution and relationship repair that is based on open and honest communication between the parties involved.
3 Mechanisms for the Advancement of Women (MAW) include Ministries, Institutes, or Secretariats for Women or Gender Affairs. These are the governing bodies responsible for addressing gender-based violence and must be involved to ensure responsible referrals, request guidance and training, etc., in addition to the local NGOs mentioned under "support networks."

- Integration of grievance mechanisms into stakeholder engagement strategies, particularly in the area of conflict prevention.

- Ongoing training for staff at all levels of executing agencies, especially supervisors, on grievance management and engagement with affected and interested parties, as well as on conflict prevention and GBV response.

- Continuous training for contractors and local governments that receive infrastructure investments, in line with CAF's institutional, social, and environmental policy framework.

- Identification of qualified human resources with expertise in socio-environmental analysis and intervention, with a focus on conflict prevention, dialogue facilitation, and GBV identification and response to ensure proper case handling.

1

**CONCEPTUAL
FRAMEWORK**

CAF – development bank of Latin America and the Caribbean seeks to ensure that all operations it finances comply with national regulations and the highest international standards for environmental and social management, as set forth in its Environmental and Social Safeguards.

To further promote transparency and the effective management of environmental and social concerns—and as part of implementing its Policy on Access to Information and Institutional Transparency (PAITI, for its initials in Spanish)—CAF established the Environmental and Social Grievance Mechanism (ESGM, or MRAS/ESGM) in April 2023. The ESGM is designed to receive and address grievances or concerns from individuals or communities regarding potential negative impacts of CAF-financed operations, whether on people or the environment. It also seeks to build strong, trust-based relationships with communities and other actors involved in or affected by CAF projects.

In parallel, CAF's Environmental and Social Safeguard S01—focused on the assessment and management of environmental and social impacts—contains the most explicit reference to project-level grievance mechanisms. In section 12 of Chapter V/Chapter V.12, titled Handling of requests, complaints, and grievances, establishes that:

"The proponent must design a mechanism to efficiently and promptly receive and respond to any requests, complaints, or grievances that may arise at any stage of the project cycle. The mechanism must ensure both transparency and the protection of personal privacy, and it must be developed in consultation with the local population. The entire community must be informed of the mechanism's existence, how to submit a request, complaint, or grievance, and the timeframe and method for receiving a response. The outcomes of cases handled must be disclosed periodically. This process should serve as a source of feedback for the project and contribute to the improvement of its practices."

The GCMs required under Safeguard S01 not only serve a regulatory purpose—they also play a central role in CAF's strategy to enhance citizen participation and to manage the environmental and social risks associated with its operations. In doing so, they reinforce CAF's engagement with civil society and empower communities.

At the project level, GCMs represent a valuable asset that:

- **ensure regulatory compliance:** the implementation of a GCM is a mandatory requirement for complying with CAF's Safeguard S01 and ensuring project transparency;

- **strengthen relationships with civil society and empower communities:** by providing clear and direct channels for submitting complaints, GCMs support the timely identification of conflicts, help prevent violence, and build mutual trust. This in turn enhances the social dimension of project implementation and promotes more sustainable development. GCMs give individuals and communities a sense of being heard and valued, encouraging active participation in decision-making processes and improving overall quality of life;

- **enable early conflict resolution:** by allowing for swift and direct responses to stakeholder concerns, GCMs help prevent the escalation of social conflict and reduce negative impacts. A timely response also facilitates appropriate referrals when needed.

- **help prevent risk:** by identifying and addressing potential sources of conflict early on, GCMs reduce exposure to legal, reputational, and even financial risks.

- **promote shared responsibility:** they ensure that borrowers take an active role in GCM implementation, including by training contractors and supervisors on CAF's environmental and social standards.

What is an Environmental and Social Grievance and Complaint Mechanism at the operational level?

Based on definitions provided by the World Bank's Ombudsman (CAO 2008)[4] and the REDD+ Grievance Mechanism (MADES UNDP 2020),[5] a grievance mechanism at the operational level is a formal and transparent system that enables individuals and communities potentially affected by a project to submit concerns or complaints about the project's alleged negative environmental and social impacts. Its objective is to support the timely, fair, and effective identification and resolution of conflicts through dialogue-driven processes that ensure affected parties are heard and considered.

According to the United Nations Guiding Principles on Business and Human Rights (OHCHR 2011),[6] the term "operational-level grievance mechanism" refers to mechanisms implemented at the site or project level. These grievance mechanisms are intended to complement—but not replace—other forms of stakeholder engagement and consultation on organizational policies, programs, and projects. They are part of a broader stakeholder engagement strategy that seeks to obtain and maintain a social license to operate and to maximize the project's positive impacts.

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4 Office of the Compliance Advisor/Ombudsman (CAO) 2008. Guidance for Designing and Implementing Grievance Mechanisms for Development Projects.
5 MADES/UNDP 2020. Mechanism for Handling Inquiries, Complaints, and Grievances Related to REDD+ in Paraguay.
6 Guiding Principles on Business and Human Rights: implementing the United Nations "Protect, Respect and Remedy" Framework. https://www.ohchr.org/sites/default/files/documents/publications/guidingprinciplesbusinesshr_en.pdf

Within the framework of CAF's ESGM, a Grievance and Complaint Mechanism (GCM)
is defined as a set of guidelines and procedures designed to receive, channel, assess,
manage, and respond to grievances related to the environmental and social aspects of
projects or programs that are part of a CAF-financed operation.

Responsibility for implementing these mechanisms lies with the executing agencies, which
must ensure that every CAF-financed operation includes a GCM tailored to the scale of
the project and its associated level of environmental and social risk. Depending on the
judgment or institutional capacity of the executing agencies, the GCM may be managed
and operated directly by the executing agencies or delegated to contractors or supervisory
entities, provided that all established principles and standards are upheld.

COMPARISON BETWEEN THE ESGM AND A GCM

Characteristic	ESGM	GCM
Level of application	Institutional (CAF)	Operational (project-level)
Operation	CAF manages the process	Executing agency[7]
Objective	Transparent and formal resolution as a last resort	Timely and accessible response, making all reasonable and acceptable efforts to provide a satisfactory outcome for all parties

GCMs serve as the first line of defense for addressing stakeholder concerns, offering
an accessible, just, and effective pathway for timely conflict resolution. Designed
through a consultative process and tailored to local cultural contexts, these mechanisms
complement formal legal channels, focusing specifically on addressing issues related to
compliance with environmental and social policies.

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7 Depending on the judgment or capacity of the executing agencies (EAs), the GCM may be managed
and operated directly by the EA itself or delegated to contractors or oversight entities, provided that the
established principles and standards are upheld.

The design and operation of a GCM should be informed by consultation with its intended users and adapted to the local cultural context, including community norms, customs, and relevant legislation. It must also form part of the broader stakeholder engagement strategy for the operation in question, and it should be grounded in best practices, early dialogue, and respect for human rights. International literature and leading practices in development finance position stakeholder engagement as the cornerstone of any strategy aimed at reducing risk and preventing conflict.

GCMs are not merely reactive—they also play a proactive role in identifying and addressing potential conflicts by serving as a core element of stakeholder engagement strategies, which must be grounded in early dialogue and a strong commitment to human rights. In this context, GCMs contribute to building trust and preventing disputes. Their flexible design allows them to be tailored to the specific needs of each project, supporting continuous improvement in corporate processes. In addition, as adaptable and efficient tools, GCMs help strengthen relationships with communities and mitigate risk, in line with international best practices in development finance.

Key elements in the design and implementation of a GCM include:

- clear and accessible communication channels;

- transparent and just procedures for submitting and resolving complaints;

- performance indicators to measure the effectiveness of the mechanism;

- training for personnel involved in managing GCMs;

- monitoring and evaluation mechanisms.

The implementation of robust GCMs is essential for any organization committed to sustainability and responsible development. By facilitating communication and conflict resolution, these mechanisms contribute to strengthening the social license to operate, reducing risk, improving organizational reputation, and enabling an appropriate response to GBV—which, by its nature, must be treated distinctly from general environmental and social grievances. Additionally, by feeding into corporate-level management systems, GCMs promote continuous improvement and innovation.

Despite their many benefits, implementing GCMs can present challenges. These may include the need for cultural and contextual adaptation, efficient allocation of resources, comprehensive staff training, confidentiality and security protocols, accessibility and effective communication, ongoing monitoring and evaluation, managing claimant expectations, addressing organizational resistance, preventing conflict escalation, and coordinating with other grievance mechanisms.

> GCMs must be designed to be accessible, with clear, multilingual, and transparent communication channels tailored to the characteristics of the communities within the area of influence of the project or activity. This will help ensure that all communities—regardless of language or literacy level—can access the grievance mechanism with confidence.

International best practices

The establishment of the GCMs has become a standard practice in the field of international cooperation and development finance. These tools allow communities and stakeholders to voice concerns about financed projects, promoting transparency, accountability, and the sustainability of interventions.

Below are several international best practices in grievance management, along with specific recommendations to strengthen GCMs, align them with global standards, and enhance their effectiveness.

Identified international best practices

- **Institutional design:** creating a dedicated unit responsible for managing GCMs is critical to ensuring their independence and effectiveness. (Executing agency level)

- **Regulatory framework:** establishing explicit policies, procedural manuals, and capacity-building programs related to grievance mechanisms at the operational and project levels. (Executing agency level)

- **Scope:** GCMs should cover all phases of the project cycle and address a broad range of issues, including social, environmental, gender, and inclusion aspects. (Executing agency and project/program level)

- **Clear and transparent procedures:** well-defined, transparent procedures are essential for submitting, assessing, and resolving complaints, including timely referrals in cases involving GBV. (Executing agency and project/program level)

- **Quality assurance mechanisms:** monitoring and evaluation systems must be implemented to ensure the quality and effectiveness of GCMs. (Executing agency level)

- **Stakeholder engagement:** active and early participation of communities and other stakeholders in the design, implementation, and evaluation of GCMs is essential to build the legitimacy of these processes. (Project/program level)

- **Prevention of retaliation:** measures must be in place to protect individuals who file complaints and prevent retaliation. Different multilateral organizations take varied approaches, emphasizing confidentiality, responsibility assignment, zero-tolerance policies, whistleblower protection, and tailored mechanism design. (Project/program level)

- **Capacity building:** investment is needed in training staff responsible for managing GCMs. (Executing agency level)

- **Tangible outcomes:** GCMs should produce concrete results, such as conflict resolution, improved relationships with communities, and identification of opportunities to improve project design and execution. (Project/program level).

Lessons learned to consider

- **Encourage participation:** promote active participation by individuals,[8] communities—including different population groups—and other stakeholders in the design, implementation, and evaluation of GCMs.

- **Strengthen retaliation prevention:** implement effective measures to protect whistleblowers and ensure their safety.

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[8] People in all their diversity—ethnic, gender, and age groups.

- **Invest in training:** provide training to CAF staff and executing agency personnel in the management of GCMs.

- **Monitor and evaluate outcomes:** establish systems for monitoring and evaluation to measure GCM effectiveness and make necessary adjustments.

- **Foster innovation:** promote the use of new technologies and innovative approaches to enhance the efficiency and effectiveness of GCMs.

> GCMs are essential tools for promoting transparency, accountability, and sustainability in CAF-financed projects. By learning from international best practices and applying the recommendations outlined above, the Bank can support its borrowers in developing and strengthening their grievance and complaint mechanisms, thereby improving community outcomes and contributing to more equitable and sustainable development.

Additional considerations

- **Gender approach:** assess how GCMs address the specific needs of women by evaluating their capacity to facilitate the submission of complaints, grievances, and reports of gender-based violence (GBV). Additionally, examine the extent to which GCMs are equipped to respond in a differentiated and sensitive manner to such situations, taking into account cultural and social factors, with the goal of identifying strengths and areas for improvement to ensure inclusivity, accessibility, and effectiveness for all vulnerable groups.

- **Responsible referral protocols:** referral protocols typically refer to established procedures for transferring and managing cases or information within a GCM. Responsible referral protocols are activated when cases require specialized attention—particularly in instances involving GBV or when claimants belong to vulnerable groups (such as women, Indigenous communities, persons with disabilities, or populations at social risk, among others). These protocols are applied when a case falls outside the scope of the GCM, poses safety or well-being risks to the affected person, or requires the involvement of specialized institutions. Referrals must be carried out in a manner that ensures confidentiality, informed consent, and safe access to the appropriate support services, while also considering cultural and social factors to guarantee inclusive and effective care.

- **Adaptation to local context:** recognize the importance of tailoring GCMs to the specific cultural and social context of each project, including the presence of vulnerable groups.

- **South-South cooperation:** explore the experiences of grievance mechanisms in other countries in the region and their relevance to CAF.

- **Innovation:** analyze the use of digital technologies and other innovative approaches to enhance the efficiency and accessibility of GCMs.

- **Cost-benefit assessment:** evaluate the costs and benefits associated with the implementation and operation of GCMs.

2

DESIGN AND MANAGEMENT OF GRIEVANCE AND COMPLAINT MECHANISMS (GCMS)

Grievance and Complaint Mechanisms (GCMs, or MAQR for their initials in Spanish) are essential tools for managing the social and environmental risks associated with development projects. They support conflict prevention, equitable and fair resolution of disputes, early attention to emerging issues—including the prevention of violence— and the strengthening of relationships among companies, communities, government institutions, civil society organizations, Indigenous groups, NGOs, academic institutions, and other stakeholders. Their core purpose is to provide an effective channel for stakeholders to raise concerns and to contribute to the continuous improvement of relationships between the project and potentially affected communities.

When properly designed with a human rights-based approach, GCMs can generate the following outcomes:

- **conflict and GBV prevention:** through early warning systems and ongoing dialogue, potential sources of tension and/or situations involving GBV can be proactively identified and addressed, helping to build trust-based relationships;

- **just and equitable resolution:** conflicts are resolved impartially, with full respect for the rights of all parties involved;

- **community participation:** active participation by communities is encouraged at every stage of the process, ensuring their voices are heard and considered in decision-making;

- **long-term solutions:** structural causes of conflict are addressed through sustainable solutions that promote equity and social justice;

- **continuous improvement:** ongoing evaluation and adaptation to changing needs ensure the mechanism remains effective and relevant;

- **prevention or mitigation of reputational risks:** situations with the potential to generate conflict-and significant reputational impacts for the executing agency and/or CAF-are managed in a timely and effective manner.

To achieve these objectives, the GCM must be integrated into the broader stakeholder engagement strategy. This includes early dialogue, inclusive impact assessments, access to information, and public participation. Leveraging the potential of digital technologies is also essential to enhance the mechanism's efficiency and transparency.

When designing and implementing a GCM, it is crucial to carry out a thorough contextual analysis that identifies the root causes of conflict and the specific needs of communities, with attention to gender and ethnicity. This allows for the development of tailored and effective solutions.

In short, a well-designed and well-executed GCM is a strategic investment that contributes to the sustainability of development projects, strengthens relationships with communities, and promotes sustainable development.

Design principles

The GCM is grounded in the fundamental principle of respect for human rights and aims to ensure the meaningful participation of affected individuals and communities in decisions that impact them.

The design of a GCM should be guided by the following principles:

- **transparency:** information about complaints and their resolution status must be accessible to claimants. This includes regular updates and clear documentation of procedures.

- **impartiality and independence:** the mechanism must operate justly and independently from project management, ensuring that no party can exert undue influence over the resolution process.

- **accessibility:** multiple access points should be provided for submitting complaints, taking into account cultural and linguistic diversity. The mechanism should be available in the local language and adapted to the specific characteristics of affected communities.

- **confidentiality:** claimants must be able to submit grievances without fear of retaliation. Personal information must be handled with strict confidentiality.

- **legitimacy:** the GCM should involve the active participation of all stakeholders to be effective. Inclusion of diverse perspectives in its design and operation reinforces its legitimacy.

- **predictability:** the complaint submission and resolution process should be clearly defined, with reasonable timelines and well-established potential outcomes. This gives claimants clarity on what to expect throughout the process.

- **equity/fairness:** all claimants must be treated equitably, ensuring the mechanism is accessible to vulnerable groups and free from discriminatory barriers to filing complaints.

Contextual assessment

To design an effective GCM, it is essential to begin with a contextual assessment that evaluates the specific circumstances and needs of the project.

This phase involves a comprehensive analysis of the context in which the GCM will be implemented. It includes:

- **environmental and social risk:** assess the likelihood that the project may negatively impact the environment or local communities—such as through pollution, displacement, deforestation, or effects on protected areas. Identify the types of impacts that may occur and their probability.

- **capacity of the executing agency:** evaluate the agency's ability to effectively manage environmental and social issues. This includes an assessment of its technical resources, previous experience in environmental and social management, and the availability of trained personnel.

- **social and territorial context:** examine the level of social sensitivity in the area where the project will be implemented (urban, peri-urban, or rural), especially if there is a potential to affect vulnerable communities, Indigenous peoples, or underrepresented areas. Consider factors such as poverty, social exclusion, and dependence on natural resources. Also analyze any history of social conflict in the region and the existing relationship between the community and the project.

  Additionally, the assessment should consider jurisdictional complexity and the organizational capacity of potentially affected stakeholders. It should also evaluate the applicable legal and regulatory framework, both nationally and internationally, to identify legal obligations and opportunities for collaboration with other institutions.

- **stakeholder analysis:** identify the stakeholders who will be involved in or affected by the mechanism, considering their needs, capacities, and levels of influence.

- **project scale:** defined by the investment amount or the number of people potentially affected.

GUIDING QUESTIONS FOR ASSESSING THE SPECIFIC CONTEXT OF EACH CASE:

1 **Does the project directly affect vulnerable communities or
Indigenous groups?**

If yes, the investment in a GCM should be considered a "priority," with an
emphasis on social and cultural sensitivity. These groups tend to have lower
representation and greater vulnerability to negative impacts.

2 **Is there a recent history of similar grievances or conflicts in the same
geographic area or in projects with similar characteristics?**

A prior record of complaints suggests the need for close monitoring, which may
require upgrading the level of mechanism development from medium to high.

3 **Does the project involve high-impact activities: (i) environmental, such as
deforestation, intensive water use, or pollutant emissions; (ii) social, such
as expropriation, relocation, impacts on culturally significant sites, land use
restrictions, or potential intervention in public infrastructure?**

Such high-risk environmental and/or social activities would require the robust and
prioritized activation of a GCM.

4 **Has resistance or concern been expressed by local communities or
stakeholders during the project's planning and consultation phases? How
have these perceptions evolved over time?**

Public concern or resistance in early stages indicates the need to "proactively"
activate the GCM to prevent conflict escalation.

5 **Does the executing agency—or the entity it delegates[9]—have the technical
capacity and resources needed to manage grievances effectively?**

If capacity is low, implementing the GCM should be considered a "priority" to
ensure that complaints are properly managed.

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9 Depending on the capacity of the executing agencies (EAs), the management and operation of the GCM may be carried
out by the EA itself or delegated to contractors or oversight entities—provided that all principles and standards are upheld.

6   **Has early and ongoing dialogue been established with stakeholders, including local communities, civil society organizations, local authorities, and other relevant actors? Are there formal or informal mechanisms in place to support this dialogue?**

If early dialogue and channels for exchanging concerns are already in place, it may be advisable to strengthen those communication pathways by integrating a participatory GCM.

7   **Does the executing agency—or its delegate—have previous experience implementing a grievance mechanism in another project?**

If experience is limited, GCM implementation should be a priority to ensure proper grievance management.

8   **Do stakeholders recognize the existence of other non-state forums where grievances are addressed?**

If yes, it is important to assess the potential for coordination and support with those forums.

9   **Is there a legal or political framework that facilitates or hinders conflict resolution?**

If the answer is no, this indicates a legal gap that could complicate GCM implementation and create legal uncertainty. In such cases, the design and implementation of the GCM must take these challenges into account.

10   **Is there specific legislation and local institutional capacity to address GBV in the project's area of impact?**

If yes, the GCM should coordinate with institutions responsible for GBV response, ensuring a complementary approach that strengthens capacity to respond effectively and sensitively.

In addition to the legal framework, it is important to consider broader political
context factors:

✓ **political stability:** a stable political environment facilitates the implementation of
conflict resolution mechanisms.
✓ **political will:** support from authorities and their willingness to address conflicts
constructively are essential.
✓ **civic participation:** a political framework that encourages citizen engagement
supports consensual conflict resolution.

When analyzing this question, it's important to take into consideration the
following aspects:

✓ **specificity:** at what level is the question directed-national, regional, or local?
✓ **scope:** does it apply to all types of conflicts or only specific ones?
✓ **relevance:** is the legal framework current, or does it require updates?

Understanding the answer to this question allows for:

✓ **adapting the GCM to the legal and political context:** mechanisms can be designed
to align with current laws and regulations;
✓ **identifying potential barriers:** anticipate and mitigate legal and institutional challenges;
✓ **strengthening the GCM:** identify opportunities to improve the legal framework and
reinforce the mechanism's effectiveness.

Planning

Based on the contextual assessment, a scoring system will be used to determine the
characteristics and scope of the GCM. This scoring will define the required level of
complexity and scale, using the criteria described below.

- **Scoring scale: use a 1 to 10 scale for each criterion.**

Criteria	Low (1–3)	Medium (4–6)	High (7–10)
Environmental/ social risk	Low environmental impact	Moderate impact	Significant impact
Implementer capacity	High	Medium	Low
Social and territorial context	Low	Medium	High
Stakeholder analysis (influence)	Low	Medium	High
Project scale	Less than USD 1 million	Up to USD 100 million	More than USD 100 million

- **Total score calculation:** the total score is calculated by summing the weighted scores for each criterion using the following formula:

Score = (RAS*F1) + (CE*F2) + (CST*F3) + (AA*F4) + (EP*F5)

The variables are defined as follows, based on the table above:

RAS: environmental/social risk
CE: executor capacity
CST: social and territorial context
AA: stakeholder analysis (influence)
EP: project scale

F1= 0.3; F2= 0.1; F3=0,3; F4 =0,2; F5 = 0,1

Based on the total score, the required characteristics and level of development of the GCM will be determined as a reference:

o   minimal (1–3 points): a basic mechanism is recommended, potentially leveraging existing structures.

o   intermediate (4–6 points): a dedicated mechanism is required, independent from the project implementer.

o   extended (7–10 points): a robust and independent GCM must be implemented, with the capacity to manage complex conflicts and continuous monitoring.

It is important to define the necessary resource allocation for the GCM based on the desired level of development. This allocation should be separate from the project's environmental and social budget.

● **Strategic design:** taking into account the reference characteristics for each typology, GCMs should be designed from the earliest stages of the project to ensure alignment with both local and international standards, enhancing their implementation and effectiveness.

Considerations for designing GCMs:

o   **community participation:** involve communities from the outset of the planning process to ensure that the GCM responds to their needs and expectations. Offer training programs tailored to different groups, incorporating gender, diversity, and intersectionality approaches to ensure GCMs are inclusive and culturally appropriate. This includes community participation in defining objectives, required resources, and the organizational structure needed for effective implementation of the GCM.

o   **develop procedures:** establish clear, detailed steps for receiving, registering, classifying, investigating, and resolving complaints.

o   **build capacity:** train staff responsible for the mechanism on key topics such as human rights, conflict resolution, retaliation, and effective negotiation. Technical training should also be provided for using monitoring and complaint-tracking tools.

o   **establish communication channels:** ensure that appropriate and accessible channels are available for submitting complaints, adapted to the needs and capacities of the stakeholders.

o **develop success indicators:** define specific and measurable indicators of success, such as a reduction in the number of incidents, improved community perception of the company, and increased trust in institutions.

o **prevent retaliation:** establish clear policies to protect complainants from retaliation, fostering an environment of trust where individuals can raise concerns without fear of consequences.

Components of a grievance mechanism

Grievance resolution mechanisms consist of several components.

1. **Intake:** establish multiple channels—online, in person, or by phone—for submitting complaints. It is essential to ensure easy access and to clearly communicate to affected communities how to file a grievance.
2. **Registration:** formalize the recording of complaints to ensure traceability and proper documentation. Each complaint should be assigned a unique identifier, and a log should be maintained to track every step taken in addressing the complaint.
3. **Assessment and classification:** sort complaints based on urgency, impact, and the nature of the issue. Grievances may be categorized as high priority (requiring immediate attention) or low priority (that can be addressed over time). Additionally, complaints should be classified by issue type (e.g., environmental, social, labor-related, etc.) to ensure they are handled by the appropriate team. This process helps prioritize resources and ensures an effective and timely response.
4. **Resolution:** define and implement a resolution process that involves all relevant parties. This may include meetings with complainants, mediation if needed, and the proposal of clear solutions. Each solution must be documented and agreed upon by the complainant before the case is closed. Proposed solutions should be fair and demonstrate a genuine understanding of the issues raised by the complainants.
5. **Closure:** establish clear criteria for closing a complaint, whether or not the complainant is satisfied. Ensure that the complainant is informed of the outcome and is given an opportunity to appeal if they are not satisfied.
6. **Ongoing stakeholder engagement:** engage stakeholders throughout all stages of the grievance process. This includes holding regular consultations to gather feedback on the functioning of the GCM and to discuss potential improvements. Continuous engagement helps maintain the legitimacy of the mechanism and ensures that it continues to meet the expectations of affected communities.

There is no one-size-fits-all model or single approach to grievance resolution. In fact, the most effective conflict resolution is generally achieved through localized mechanisms that take into account specific issues, cultural context, local customs, project conditions, and project scale.

Implementation

- **Launching the GCM:** establish the mechanism and ensure that all stakeholders understand how to access and use it. This includes awareness campaigns and informational sessions with affected communities.

- **Strategic communication:** develop a clear, effective, and inclusive communication strategy—free of gender bias—to inform communities about the GCM and its benefits.

- **Pilot case management:** conduct an initial small-scale rollout to identify potential issues and adjust procedures before full implementation. This step allows for the validation of the GCM design and the incorporation of improvements ahead of broader deployment.

- **Ongoing monitoring:** during the implementation phase, carry out continuous monitoring to ensure the GCM is operating as intended. This includes reviewing case logs, response times, and claimant satisfaction.

- **Collaboration with international organizations:** foster partnerships with experts, multilateral institutions, and international organizations to share best practices, strengthen management standards, and enhance the effectiveness of the mechanisms.

Evaluation and continuous improvement

- **Performance evaluation:** conduct regular evaluations of the GCM to assess its effectiveness, efficiency, and fairness. Use key indicators such as the number of complaints resolved, resolution times, and claimant satisfaction levels.

- **Impact assessment:** carry out impact assessments to determine the effect of the GCM on the project's social and environmental outcomes.

- **Stakeholder feedback:** gather input from affected communities, complainants, and other relevant actors to identify areas for improvement. This can be done through surveys, interviews, and participatory meetings.

- **Procedure review:** based on evaluation results and feedback received, revise and adjust GCM procedures to enhance their effectiveness. This may include updating processes, providing additional staff training, and improving communication channels.

- **Reporting and communication of outcomes:** prepare reports on GCM performance and share the results with stakeholders. Transparency at this stage is essential for maintaining the trust and support of communities and other stakeholders.

- **Organizational learning:** promote a culture of organizational learning where mistakes are seen as opportunities for improvement.

GCM governance

Roles and responsibilities

- **Financing actors:** financiers play a fundamental role in the governance of the GCM, as they are responsible for overseeing compliance with international standards on human rights and the environment. In addition, they must ensure that the GCM is embedded as a core component of the project's management plan and provide financial support for its implementation. Financiers are also responsible for strengthening the capacities of the executing agency and contractors to effectively manage the GCM. This may involve allocating resources for training, hiring external experts to provide technical guidance, and facilitating the exchange of good practices across similar projects.

> **Independent oversight and verification:** financiers should establish feedback mechanisms to support continuous improvement based on audit findings.
>
> **Capacity building:** financiers must allocate the necessary resources to ensure ongoing training for all stakeholders involved, with a strong focus on preventing retaliation and supporting cultural adaptation. Capacity building should strengthen both technical and interpersonal competencies, including training in negotiation and conflict resolution, intercultural management, and the use of technological tools for complaint tracking.

- **Executing agency or delegated entity:**[10] the executing agency is responsible for implementing and overseeing the GCM at the local level and for ensuring its overall effectiveness. It must appoint a specialized team to manage grievances, made up of personnel trained in human rights and conflict resolution. The EA is also tasked with ensuring coordination among the various stakeholders involved, so that the mechanism operates in a coherent and effective manner. It is responsible for leading monitoring activities and producing regular reports on the GCM's performance.

> **Monitoring and evaluation:** continuous monitoring systems must be implemented to assess the mechanism's effectiveness. Executing agencies should define clear and measurable performance indicators, such as the number of grievances resolved in a timely manner and claimant satisfaction levels.
>
> **Contractual accountability (executing agency and oversight):** contracts must clearly define responsibilities related to grievance and complaint management, with legal and financial consequences for non-compliance.

- **Contractors:** contractors must establish accessible grievance channels for affected communities and ensure that their employees are trained in how to use the GCM. They should work collaboratively with the executing agency to ensure consistency in implementation and appropriately respond to complaints. Contractors are also responsible for providing documentation to support grievance tracking and evaluation.

> **Ongoing training:** personnel from the borrower, executing agency, and supervisory or oversight bodies must participate in training sessions offered by the financiers and the executing agency. They are responsible for ensuring that their teams are fully equipped to implement the GCM, identify and manage environmental and social risks associated with the project, and apply a culturally responsive approach—with a strong focus on preventing retaliation and strengthening the skills needed across all involved teams.
>
> **Regular reporting:** supervisory and oversight bodies must provide regular updates to the executing agency on the status of complaints received.

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10 Depending on the capacity of the executing agencies (EAs), the management and operation of the GCM may be carried out directly by the EA itself or delegated to contractors or oversight entities, provided that the principles and standards are upheld at all times.

- **Stakeholders:** local communities, authorities, civil society organizations, Indigenous groups, and other interest groups should be involved in all stages of the GCM. Active participation should be encouraged in defining procedures and evaluating the mechanism's effectiveness. To ensure meaningful engagement, the executing agency should hold regular meetings with communities and provide open forums for concerns and suggestions.

> **Participation in GCM evaluation:** stakeholders should be invited to take part in the evaluation of the GCM, offering direct feedback on how the mechanism is functioning and proposing improvements. Special attention should be given to ensuring that the voices of affected and vulnerable communities are heard and reflected in the process.
>
> **Community advisory role:** a community advisory committee should be established to serve as a liaison between the executing agency and affected communities. This committee can help facilitate communication and ensure that concerns are appropriately elevated.

- **Roles of GCM management teams**

  - ✓ **Prevention:** through ongoing stakeholder mapping, engagement, and early identification of needs.

  - ✓ **Facilitation:** create constructive spaces for addressing and resolving grievances by developing appropriate strategies or processes that allow project management and affected parties to work together toward solutions.

  - ✓ **Verification and rectification:** ensure that claimants can raise objections regarding safeguard violations and request formal investigations as needed.

Capacity building for implementation and management

Capacity building is essential to ensure that the GCM is implemented and managed effectively. Financing actors play a crucial role in this area by providing resources and support for technical skills development and ongoing training for all stakeholders involved.

Ways in which financiers can support capacity building include:

- **specialized training:** funding specialized training programs for the staff of executing agencies, contractors, and local communities. These training sessions should cover topics such as conflict resolution, human rights, protection against retaliation, and the use of digital tools for grievance registration and tracking. Practical exercises and simulations are also recommended to ensure participants understand and can apply key concepts.

- **technical assistance:** providing technical support through external experts who can guide local actors in the implementation of the GCM. This may include developing monitoring tools and adapting international best practices to the local context. These experts can also serve as mentors, assisting staff in managing specific situations and helping them build specialized skills.

- **exchange of best practices:** facilitating the exchange of experiences and best practices among similar projects. Financiers can organize workshops and seminars where project leads share lessons learned and effective solutions to common challenges. Establishing peer learning networks gives participants access to tools and approaches that have proven successful in other contexts.

- **ongoing evaluation and feedback:** financiers should actively engage in evaluating how the GCM is functioning, providing objective feedback and supporting the mechanism's continuous improvement. This can include financing external audits to assess the GCM's effectiveness and ensure it complies with established standards. Feedback should be used to refine procedures and improve responsiveness.

- **local leadership development:** strengthening local leadership is critical to ensure the GCM's long-term sustainability.

Identifying Training Needs

The success of the GCM depends on the capacity of the actors involved. It is essential to identify knowledge gaps in key areas such as human rights, conflict management, and effective communication. This assessment should be carried out through interviews, surveys, and a review of the prior experience of key stakeholders.

Training programs

» **In-person and online training sessions:** these should focus on conflict resolution, human rights, and the procedures of the GCM. Trainings must include real-case simulations and practical exercises to ensure that participants can confidently apply what they've learned.

» **Community workshops:** designed to empower affected communities and promote active participation. These workshops should explain how the GCM works, how to submit a complaint or grievance, and what to expect from the process. Efforts should be made to ensure the inclusion of all groups, particularly the most vulnerable.

» **Awareness-raising sessions:** aimed at project staff, these sessions are intended to increase awareness of the importance of the GCM and its role in managing environmental and social risks.

Monitoring, evaluation, and learning

To ensure the effectiveness of the GCM, a robust monitoring system is essential. This should include:

- **Performance indicators:** track key metrics such as the number of complaints and grievances submitted, resolution times, claimant satisfaction levels, and the frequency of repeat issues. These indicators should be monitored in real time and reported periodically.

- **Disaggregated data collection:** data should be collected with attention to variables such as gender, age, ethnicity, and geographic location, in order to identify specific patterns and ensure there are no disparities in access to the GCM.

- **Continuous improvement:** monitoring results should be used to regularly adapt and strengthen the mechanism. Periodic evaluation meetings should be held with all relevant stakeholders to review performance and identify opportunities for improvement.

To support continuous improvement, it is important to establish:

» **communication channels:** to gather feedback from stakeholders through tools such as satisfaction surveys, community meetings, and suggestion boxes.

» **dissemination of best practices:** documenting and sharing lessons learned with companies, communities, government institutions, civil society organizations, Indigenous organizations, NGOs, educational institutions, and other stakeholder groups through workshops, seminars, knowledge exchange platforms, and other training initiatives. This will help strengthen the GCM and prevent future conflicts. Additionally, success stories and key lessons will be published to enable replication across other projects.

GCMs and the project lifecycle

A grievance mechanism must function throughout the entire lifecycle of an operation—starting from the planning phase and continuing through construction and implementation, all the way to project closure. While the grievance mechanism may evolve as the project progresses through different stages, its dual objectives—accountability to stakeholders and risk reduction—remain constant.

Origination	Develop the contextual analysis.
Assessment	Based on the findings of the contextual analysis, it is necessary to validate the existence of—or readiness to implement—a GCM appropriate to the level of development. In addition, it is essential to formalize stakeholder commitments for the design of the GCM, in compliance with CAF's Environmental and Social Safeguards.
Management	Implement and/or strengthen the GCM as outlined in Sections 2.4 to 2.7 of this guide, taking into account the recommendations presented in Section 2.10.
Closure	Prepare a monitoring, evaluation, and learning report, in accordance with Sections 2.8 and 2.9 of this guide.

Final recommendations

- **Commitment from decision-makers:** the leadership and commitment of the borrower and the senior management of the executing agency are essential to ensure that the GCM is viewed as a risk management tool, not merely a compliance requirement. It is important to recognize and support actors who actively promote the use of the GCM and encourage effective resolution of grievances.

- **Adaptability:** emphasize the importance of adapting the GCM to evolving circumstances and incorporating lessons learned.

- **Capacity building:** invest in training for all actors involved and foster a culture of continuous improvement. Financiers should provide resources for ongoing training and ensure that all stakeholders have access to these programs.

- **Cultural shift:** promote a positive perception of complaints, treating them as opportunities for improvement rather than threats to the project. This can be achieved through internal awareness campaigns and workshops on the importance of the GCM for project sustainability.

> This guide aims to provide a clear and practical approach for designing and implementing grievance and complaint mechanisms, ensuring their effectiveness and legitimacy within the context of environmental and social projects. When these steps and principles are followed, the GCM can become a valuable tool for proactively managing risks and building stronger relationships with affected communities.

Possible challenges

- **Lack of gender and diversity focus:** significant gaps remain in addressing issues affecting women, diverse populations, and persons with disabilities. These shortcomings limit the effectiveness of GCMs and may lead to distrust among affected groups.

- **Weak initial planning:** many GCMs are not designed early enough in the project cycle, negatively impacting their implementation and overall effectiveness. Poor planning can also hinder alignment with local and international regulations.

- **Retaliation management:** the absence of clear measures to prevent retaliation against complainants is a critical issue. This not only discourages individuals from filing complaints but may also heighten the risk of social conflict.

3

CAF'S ENVIRONMENTAL AND SOCIAL SAFEGUARDS

CAF's Environmental and Social Safeguards are a set of principles and guidelines designed to ensure that financed projects are sustainable, responsible, and respectful of both communities and the natural environment. These safeguards are intended to prevent, mitigate, and compensate for potential negative impacts that projects may generate on the environment and on people—especially those who belong to vulnerable groups.

The implementation of these safeguards is essential to ensure that economic development does not come at the expense of natural resources, biodiversity, or the human rights of affected communities. In this way, CAF seeks to contribute to the region's sustainable development by promoting the responsible use of resources and ensuring that the benefits of economic growth are equitable and accessible to all.

The relevance of these safeguards lies in their ability to manage the risks associated with infrastructure projects, social development initiatives, and industrial operations—ensuring that each stage of the project cycle aligns with high environmental and social standards. The goal is not only to comply with national and international regulations but also to foster a culture of sustainability that minimizes environmental harm and enhances the quality of life of affected communities.

CAF's safeguards emphasize the importance of meaningful, ongoing stakeholder engagement, the transparent disclosure of information, and the availability of mechanisms to receive grievances and resolve disputes. This approach ensures that projects are not only technically sound, but also socially accepted and beneficial for all parties involved.

Key aspects of CAF's Environmental and Social Safeguards

- **Promoting sustainable development**
  CAF's Environmental and Social Safeguards focus on advancing sustainable development across its Shareholder Countries, ensuring that each financed project contributes effectively to economic growth without compromising the environment or human rights. This is achieved through measures that prevent, mitigate, or compensate for potential negative impacts on communities and ecosystems. The safeguards ensure that projects comply with both national and international standards, promoting equitable and sustainable development.

- **Focus on impact prevention and mitigation**
  A core pillar of the safeguards is the identification and management of environmental and social impacts at every stage of the project lifecycle. A hierarchical approach is used—prioritizing prevention, followed by mitigation of unavoidable impacts, and compensation for any residual effects. This strategy helps minimize potential harm while maximizing positive outcomes, enhancing community well-being and protecting the environment.

- **Environmental and Social Management Program (ESMP)**
  The Environmental and Social Management Program (ESMP, or PMAS for its initials in Spanish) is a central tool within CAF's safeguard system. It outlines the measures necessary to manage the project's environmental and social impacts. The ESMP includes subprograms for prevention, mitigation, compensation, and enhancement of impacts, as well as measures to address risks related to climate change and variability. It also prioritizes the identification and management of environmental liabilities that could affect either the project or the surrounding communities.

- **Active stakeholder participation and consultation**
  A critical component of the safeguards is ensuring informed, continuous stakeholder participation throughout the project lifecycle. This is achieved through proactive disclosure of project objectives, scope, and potential impacts, along with public consultations that allow communities to voice concerns and participate in decision-making. Participation must be inclusive, taking into account gender, age, and ethnicity, and ensuring that vulnerable groups are also heard.

- **Grievance and Complaint Mechanisms**
  CAF has established grievance mechanisms as a central part of its institutional commitment to resolving environmental and social conflicts. These mechanisms ensure that affected communities have clear and effective channels to raise concerns, complaints, or grievances at any stage of the project. They must be accessible, culturally appropriate, and transparent—while also ensuring the privacy and safety of claimants. Independent conflict resolution bodies may also be engaged to ensure impartial and effective grievance handling.

- **Monitoring and control of impacts**
  To ensure the effectiveness of mitigation measures, CAF runs an Environmental and Social Monitoring and Control Program (PSCAS, for its initials in Spanish). This program tracks project impacts and assesses the effectiveness of the ESMP actions, ensuring that projects comply with their environmental and social commitments. Clients are required to submit periodic reports with verifiable evidence of implementation progress and outcomes, fostering continuous and timely accountability.

- **Compliance with national and international regulations**
  CAF places strong emphasis on compliance with national environmental and social legislation in all financed projects. It also ensures that projects uphold international commitments made by Shareholder Countries, including agreements related to biodiversity, climate change, and the rights of vulnerable groups—such as women, Indigenous peoples, and displaced populations. In some cases, CAF may require additional safeguards to ensure alignment with the highest environmental, social, and gender standards.

- **Institutional strengthening**
  CAF also recognizes the importance of building institutional capacity among
  borrowers and contractors to ensure they have the technical, financial, and
  human resources needed to implement and monitor safeguards effectively.
  Strengthening these capacities is essential for managing risks and ensuring
  long-term project sustainability.

- **Integration of gender and diversity perspectives**
  CAF's safeguards also ensure that projects include an approach that fosters
  gender equity and respect for cultural diversity. Measures include promoting equal
  opportunities, protecting the rights of ethnic groups, and adapting participation
  and grievance mechanisms to reflect cultural contexts—thereby ensuring inclusive
  development that benefits all populations involved.

CAF's Environmental and Social Safeguards and the Grievance and Complaint Mechanisms (GCMs)

CAF's Environmental and Social Safeguards underscore the importance of grievance and
complaint mechanisms as a core component of the Bank's risk reduction policy, serving
as a vital tool to prevent conflict and ensure the sustainable development of its projects.
These mechanisms must be:

o **accessible:** mechanisms must be available to all individuals involved in the project,
including vulnerable communities and workers;
o **culturally appropriate:** for ethnic groups and rural communities, systems must
respect local traditions and ensure equitable access;
o **transparent and respectful of privacy:** procedures must be transparent,
and claimants must be assured that their identities and concerns will be
handled confidentially;
o **conflict resolution:** independent and mutually agreed conflict resolution
mechanisms should be in place to address disputes at any stage of the project.

Below is a summary of the Environmental and Social Safeguards that refer explicitly to
GCMs or aspects relevant to such mechanisms:

Environmental and social impact assessment and management

- **Requirements:** the client must design a mechanism to receive and respond to requests, complaints, or grievances efficiently at any stage of the project. This mechanism must ensure transparency and privacy, and be developed in consultation with the local community.
- **Stakeholder engagement:** this safeguard emphasizes the importance of addressing requests and resolving conflicts through early consultation and engagement with affected communities to prevent disputes.

Indigenous peoples, Afro-descendant communities, and traditional local communities

- **Grievance system:** a culturally appropriate system must be in place to receive requests, complaints, and grievances from ethnic groups. The mechanism must be accessible and aligned with the traditions and characteristics of the affected communities.
- **Conflict resolution:** mechanisms for resolving disputes must be agreed upon by all parties to ensure impartiality and efficiency.

Population resettlement

- **Grievance mechanism:** in cases involving resettlement, an accessible system must be provided to address complaints and conflicts related to the planning and implementation of resettlement processes.
- **Monitoring and follow-up:** the process must include ongoing consultations to ensure the effectiveness of the resettlement measures and provide timely responses to the concerns of resettled individuals.

Labor and working conditions

- **Requirements for labor complaints:** a mechanism must be available for workers to submit complaints and grievances without fear of retaliation. This process must be accessible and just.

4

GENDER-BASED VIOLENCE GRIEVANCES

Gender-based violence is defined as any violent act or aggression committed against a person's will, based on socially constructed differences attributed to their sexual or gender identity, and resulting in physical, sexual, psychological, or economic harm (López, 2021).[11]

Forms of GBV include, but are not limited to:

- **physical violence:** the intentional use of physical force that can result in injury, harm, or suffering;
- **sexual violence:** any non-consensual sexual act or an attempt to obtain a sexual act through coercion;
- **psychological violence:** actions that cause emotional harm and undermine a person's self-esteem, such as threats, humiliation, or social isolation;
- **economic violence:** exerting control over the victim's financial resources, thereby limiting their economic independence.

These forms of violence are rooted in power imbalances and social and cultural norms that perpetuate gender inequality.

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11 Basic guidelines for mitigating gender-based violence risk in public works projects. Caracas: CAF. https://scioteca.caf.com/handle/123456789/1826

To ensure infrastructure projects provide equitable benefits for all, it is essential to integrate a gender perspective across every phase of the project. This includes fostering the active and meaningful participation of women in decision-making processes—from initial planning to final evaluation. It is also crucial to identify and address the specific risks women face, such as GBV, through detailed gender analyses. Establishing grievance mechanisms that are accessible, confidential, and effective, and training project teams on gender issues and human rights, can help build more just and sustainable infrastructure.

Due to existing structural inequalities, infrastructure projects often disproportionately and negatively affect women. Women, in particular, are frequently underrepresented in decision-making spaces and face significant obstacles when attempting to exercise their rights. These obstacles may include lack of information, weak institutions, fear of retaliation, and cultural norms that limit their participation. Socioeconomic inequality and marginalization further exacerbate their vulnerability to violence and discrimination.

Considerations for managing gender-based violence complaints

- The primary principle guiding the handling of GBV-related complaints is the protection of the complainant's personal integrity—physical, psychological, and reputational—as well as ensuring non-repetition, avoiding re-victimization, and upholding access to justice.

- Given the nature, characteristics, and sensitivity of GBV-related complaints, these cases must be treated with a specialized approach within the GCM, under the constant leadership and guidance of professionals with expertise in the field.

- All personnel involved in the investigative process must preserve and protect the confidentiality of all individuals associated with the complaint—including the complainant(s), the accused or alleged perpetrator(s), witnesses, institutions, and any other concerned parties—as well as any information accompanying the complaint and the resulting process. Exceptions may only be made if one of the parties expressly waives their right to confidentiality.

- Under no circumstances shall the involved entity—whether the executing agency, contractors, supervisors, or oversight bodies—be informed of the complaint until the documentation or evidence-gathering process has been completed, unless there are indications that evidence can only be obtained with their involvement.

- All information collected or shared with involved parties as evidence (e.g., emails, messages, videos, etc.) must be protected, remain unaltered, and be preserved in accordance with recommended practices—particularly that which CAF or the complainant may designate or classify as confidential.

- The handling of GBV complaints through the GCM must remain independent and must not interfere with any legal or judicial proceedings pursued under applicable law.

Adapting gender-sensitive information disclosure practices

To ensure that information disclosure is safe and accessible for everyone—particularly women—it is essential to adapt traditional practices to meet their specific needs.

First, confidentiality and anonymity must be prioritized in grievance submission processes. This includes providing women with options to submit grievances anonymously, thereby reducing the risk of exposure or retaliation. Procedures that require the unnecessary disclosure of personal information should be avoided, as they may compromise the safety of claimants.

Second, information-sharing formats must be adapted to the specific needs of women, especially considering barriers such as limited literacy or restricted access to technology. This involves using clear, simple language and visual formats—such as graphics or illustrations—that make the information easier to understand. Accessible digital platforms should also be explored to ensure that technology becomes a tool for connecting women to grievance mechanisms, rather than a barrier.

Third, the design of grievance mechanisms must be gender-sensitive, taking into account the specific barriers women face. Key strategies include:

- **safe spaces:** create exclusive physical or virtual spaces where women can comfortably and securely submit complaints. These spaces should be designed to foster trust and ensure privacy for complainants.

- **independent facilitators or sponsors:** engage external facilitators trained in gender issues to reduce tension and build trust. These independent third parties can serve as safeguards for the safety and neutrality of the process.

- **mediation:** <u>mediation should not be applied in cases of GBV</u> due to the power imbalance between the victim and the aggressor, as well as the risk of revictimization. Instead, specialized mechanisms should be implemented that prioritize the safety, protection, and reparation of victims' rights. These should include accessible psychological and legal counseling services; support networks involving MAW (Mechanisms for the Advancement of Women) and local NGOs; GBV-sensitive judicial processes that avoid direct contact with the aggressor; and training for all involved personnel—thus ensuring a comprehensive, survivor-centered approach free from revictimization.

- **psychological and legal support:** provide counseling and legal advisory services to support women throughout the grievance process. These services must be easy to access and designed to offer continuous and appropriate assistance.

- **support networks:** build partnerships with local organizations and MAW, such as Ministries, Institutes, or Secretariats of Women's or Gender Affairs. These are the leading agencies responsible for addressing GBV and should be engaged for responsible case referral, consultation, training, and capacity-building.

By implementing these measures, a safer, more inclusive, and equitable
environment is created—one where women can voice their concerns and
access justice mechanisms without fear of retaliation, while due process is
guaranteed at all times. Adapting information disclosure practices, together
with the implementation of support and protection mechanisms, helps ensure
that women can fully and safely exercise their rights and actively engage in all
processes related to infrastructure projects and development.

Development of protocols for addressing gender-related issues

This section proposes the development of specific protocols to support responsible
referral and effective response to various GBV-related issues. These protocols must be
designed with consideration for the distinct characteristics of each issue, ensuring safety,
confidentiality, and compliance with international standards.

Proposed protocols

- **Protocol for the identification and responsible referral of GBV cases:**

    o establish a clear and systematic process for identifying instances of
      gender-based violence.

    o include criteria for referring cases to the appropriate institutions
      (e.g., specialized agencies, local NGOs, or Women's Advancement
      Mechanisms [MAW]).

    o incorporate safeguards to protect the confidentiality and safety of
      survivors throughout the entire process.

- **Protocol for addressing workplace sexual harassment: aimed at project executing agencies, this protocol should:**

  o define clear and accessible reporting mechanisms for victims.

  o establish impartial and efficient investigation procedures.

  o include preventive measures, such as mandatory training on harassment prevention and gender sensitivity for all staff.

- **Protocol for addressing gender discrimination:** this protocol applies to cases of workplace, cultural, social, or structural discrimination within projects and executing agencies, with the goal of promoting gender equality and inclusive environments. Examples include disparities in pay, unequal access to opportunities, discriminatory attitudes, or inequitable institutional policies.

  o Define institutional roles and internal gender equality policies for executing agencies.

  o Establish secure and confidential reporting channels, ensure impartial investigations, and implement clear corrective actions.

  o Monitor implementation indicators and conduct audits to support continuous improvement.

Implementation

Each protocol should be developed with the involvement of gender and human rights experts, and should reflect local legal frameworks while aligning with both national and international standards. In addition, training should be provided to MAQR users to ensure proper implementation and application of these protocols.

This approach ensures that gender-related issues are addressed comprehensively, ethically, and effectively—reinforcing the institution's commitment to equality and justice.

5

**MANAGING
RETALIATION**

GCMs are essential tools for protecting human rights and promoting accountability. However, their effectiveness can be seriously undermined when individuals who submit complaints are subjected to retaliation. This section focuses on the specific challenges involved in managing retaliation within the framework of GCMs, as well as strategies to prevent and mitigate its effects.

Retaliation refers to any action taken against an individual or group as punishment or revenge for exercising their rights, voicing critical opinions, or filing a complaint. Such actions may be direct or indirect, and can range from threats, harassment, and wrongful dismissal to more subtle forms of discrimination, social exclusion, or even physical violence. In the human rights context, retaliation is understood as a punitive measure intended to deter participation and silence those who speak out against abuse.

These types of attacks—including workplace harassment, defamation campaigns, and anonymous threats—are often designed to intimidate and silence those who raise concerns or criticize harmful projects or policies.[13]

13 604 attacks on human rights defenders globally. Retrieved from https://www.business-humanrights.org/en/from-us/media-centre/attacks-and-risk-to-business-and-human-rights-defenders-worsened-in-2020/

In 2020, according to the Business & Human Rights Resource Centre,[14] 604 attacks on human rights defenders were reported globally—one-third of them in Latin America. These attacks take place in a broader global context marked by shrinking civic space, where it is increasingly difficult for individuals, organizations, or communities to express critical opinions without fear of reprisal. Retaliation can take many forms, including workplace harassment, smear campaigns, anonymous threats, denial of permits, or freezing of assets, among others.

Challenges in managing retaliation

Contextual and structural challenges

- **Confidentiality in small communities:** in small municipalities, where residents live in close proximity, protecting confidentiality is crucial. To prevent retaliation, the identity of the complainant must be safeguarded, and MAQR support should be requested throughout the process.

- **High-risk projects in conflict-affected areas:** in high-conflict environments, the use of grievance mechanisms can heighten the risk of retaliation-particularly in repressive or highly hierarchical contexts. When a complainant's motivation is political in nature, the loan coordinator from the government should intervene, and established MAQR protocols must be activated to manage such cases appropriately.

- Complexity of conflicts
  - o Multiple causes: conflicts often stem from multiple, interconnected causes, making it difficult to pinpoint the root of the issue and identify sustainable solutions.
  - o Interconnected nature of conflicts: social, environmental, and political conflicts tend to be interwoven, which adds layers of complexity and increases the risks associated with grievance processes.

- Distrust and skepticism
  - o History of unfulfilled commitments: in contexts where previous promises or agreements have not been honored, communities may distrust the effectiveness of new mechanisms, leading to reduced participation and greater risk of retaliation.

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14 604 attacks on human rights defenders globally. Retrieved from https://www.business-humanrights.org/en/from-us/media-centre/attacks-and-risk-to-business-and-human-rights-defenders-worsened-in-2020/

- o Perception of bias: if institutions involved are perceived as biased, trust in the mechanism is weakened, undermining its effectiveness.

- **Institutional capacity gaps**
  - o Limited resources: institutions tasked with implementing grievance mechanisms often lack sufficient financial and human resources, limiting their ability to offer effective protection to complainants.
  - o Lack of experience: teams may lack the necessary experience to manage complex conflicts and deliver fair resolutions. Inadequate training and technical knowledge increase the vulnerability of those who file complaints.

- **Unequal power dynamics**
  - o Power asymmetry: disparities in power between stakeholders can obstruct negotiation and consensus-building—particularly when vulnerable or Indigenous communities face powerful actors such as corporations or governments. These imbalances are also present in gender relations.
  - o External influence: the involvement of external actors with vested interests can exacerbate tensions and interfere with the implementation of grievance mechanisms, raising the risk of retaliation.

- **Legal and regulatory frameworks**
  - o Ambiguous legislation: in many contexts, the legal framework may be too vague or weak to guarantee protection from retaliation for those who use grievance mechanisms. This undermines confidence in the mechanism's safety.
  - o Lack of enforcement: where institutions lack either the capacity or the political will to enforce the law, the rights of complainants go unprotected, creating a more vulnerable environment.

Emerging challenges

- **Digital retaliation:** the increased use of information and communication technologies has enabled new forms of retaliation, including cyberbullying, online defamation, and digital surveillance.
- **Disinformation and fake news:** the spread of disinformation and false narratives can make retaliation harder to detect and weaken the credibility of the GCMs.

Preventing retaliation risks

Zero tolerance for retaliation

Several multilateral institutions have developed detailed approaches to managing retaliation risks, promoting a policy of zero tolerance. The following five key steps outline how to effectively address these risks throughout the project cycle.

i. **Engage in early and transparent dialogue:** from the outset of the project, open—and at times difficult—conversations should be held with all relevant stakeholders (including borrowers, executing agencies, suppliers, contractors, and consultants). Clearly communicating the zero-tolerance policy on retaliation is essential to establishing a shared understanding of the seriousness of these risks and the importance of preventing them.

ii. **Conduct retaliation-focused due diligence:** proactively identifying and assessing retaliation risks is essential. This process should include a review of relevant documentation and direct consultation with stakeholders. A robust contextual risk assessment is key to understanding the vulnerability of affected communities and informing appropriate mitigation strategies.

iii. **Agree on preventive or mitigating measures:** it is necessary to reach consensus on the actions to be taken to prevent or reduce the identified risks. These measures should be tailored to the nature of the risk and involve the active participation of affected parties. Strategies may include designing secure grievance mechanisms and adapting consultation planning to minimize exposure.

iv. **Develop incident response plans:** retaliation risks must be anticipated, and action plans should be developed in collaboration with at-risk communities to address potential incidents. It is important to plan ahead and define rapid response strategies, as some acts of retaliation may limit the ability to act promptly.

v. **Respond cautiously to retaliation complaints:** a "when in doubt, report" approach should be adopted, and all retaliation complaints must be taken seriously. For reference, the Inter-American Development Bank's guidance note advises against disclosing a victim's identity without consent and recommends responding proportionally to the severity of the incident.

It is essential to design grievance mechanisms that minimize risk to complainants and others involved in the process. Stakeholders should also be informed—using gender-sensitive language—of their right to approach CAF's Environmental and Social Grievance Mechanism (ESGM) directly if they believe their safety is at risk.

Additional prevention and mitigation measures

- **Build capacity to identify and respond to retaliation risks:**
  it is critical to strengthen the ability of borrowers, executing agencies, and their staff to recognize and manage retaliation risks—especially in the design and implementation of effective grievance mechanisms and inclusive stakeholder engagement plans. This includes specific training on how to detect early signs of retaliation within project contexts.

- **Adapt information disclosure practices:**
  to prevent or mitigate retaliation risks, information-sharing practices must be adapted accordingly. Requiring participants to disclose their identities during consultations can significantly increase their exposure. Participation should be anonymous whenever possible, and personal information must be kept confidential.

- **Ensure safe consultation planning:**
  consultation processes—both in person and virtual—should be planned with safety in mind. This includes holding consultations in secure locations, providing for anonymity, and implementing protocols that protect participants throughout the engagement.

- **Engage independent third parties:**
  in certain contexts, support from independent third parties can help manage tensions and reduce the likelihood of retaliation. These neutral facilitators ensure that all voices are heard without exposing participants to unnecessary risks.

- **Involve CAF's ESGM:** in specific circumstances, additional engagement with stakeholders—without the involvement of the borrower or executing agencies— may be warranted. This can help safeguard participants from potential retaliation associated with reporting concerns directly to project authorities.

> GCMs cannot be truly effective without robust strategies to prevent and mitigate retaliation. Active stakeholder participation, respect for civic space, and a commitment to transparency are all essential to ensure that affected individuals can speak up without fear of adverse consequences/that the voices of affected individuals can be heard without fear of adverse consequences. Proactive and coordinated management of retaliation risks not only protects complainants—it also contributes significantly to the long-term social and environmental sustainability of CAF-financed projects.

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