



# Bulletin

## TOWARDS THE WORLD BANK ANNUAL MEETINGS.

### COMPLAINT MECHANISMS IN INTERNATIONAL FINANCIAL INSTITUTIONS.

#### PRESENTATION

*Elaborated by Derecho, Ambiente y Recursos Naturales (DAR), with contributions from the Accountability Counsel, CONECTAS Human Rights, the Regional Group on Finance and Infrastructure (GREFI by its acronym in Spanish) and SOMO.*

*This bulletin on complaint mechanisms of international financial institutions operating in the region is the first in a series of bulletins that aim to provide the population the existing tools for the management of social and environmental rights in international financial institutions and integration spaces. All of these under the context of the next annual meeting of the World Bank and the International Monetary Fund in Lima and the revision of the operational policies of the World Bank.*



Derecho, Ambiente y Recursos Naturales



Fundación para el Desarrollo de Políticas Sustentables



CONECTAS Direitos Humanos



Accountability Counsel



SOMO (Centre for Research on Multinational Corporations)



Grupo Regional sobre Financiamiento e Infraestructura

CON EL APOYO DE:



## CASES FILED BEFORE OTHER COMPLAINT MECHANISMS

### **CERRO DE ORO PROJECT IN MEXICO** **Historic agreement on the rights of** **communities achieved from a dialogue** **table**

By: Sarah Singh  
Accountability Counsel



Imagen: <http://www.accountabilitycounsel.org/>

A hydroelectric project was suspended in Oaxaca (Mexico) through a dialogue table in which indigenous communities demanded their right to have a voice in development decisions. To our knowledge, this is the first time that the fundamental demand of a community has been fully respected as a result of a dialogue table initiated by an independent accountability mechanism.

In November 2010, indigenous communities in Oaxaca filed a complaint about threats to their security, drinking water, fishing areas, livelihoods and culture caused by a hydroelectric project funded by a US agency, the Overseas Private Investment Corporation (OPIC). One of the biggest concerns was the impact of the construction of the Cerro de Oro Dam, built in the 70s and 80s, which, if broken, would destroy communities.

Communities, with the help of the Accountability Counsel, filed a complaint before the Office of

Accountability (OA) of OPIC. In response, the OA established a voluntary dialogue table between the four communities directly affected and the companies involved in the project. Supported by the Accountability Counsel and Mexican organizations Fundar, Educa and HIC-AL, the communities reached an agreement with the companies - with municipal and state authorities acting as witnesses - to suspend the construction of the hydroelectric project and implement an alternative that would take into account the concerns of communities. Likewise, companies also agreed to accept the final decision of communities to advance or not any draft of the project.

In November 2011, after reviewing the project alternative and listening to experts in the field of dam safety, three of the four communities rejected both projects: the original and the alternative. Until April 2015, the project has remained suspended and companies continue honoring the agreement to



Imagen: <http://www.accountabilitycounsel.org/>

respect the decision of communities to reject the project.

Some factors that contributed to success of this dialogue table were: (1) communities were organized during the process, informing the members about the project and articulating their concerns and demands; (2) communities strategically used the local press and the local and state authorities to support, document and raise awareness of their concerns; and (3) corporate decision makers participated in the table and expressed interest in their project to have the social permit to operate. As a result of activating the OA, the communities were able to demand important information about the project, evaluate an alternative project and make an informed decision on the development of their communities.



#### ***Accountability Counsel***

It is a legal non-profit organization based in the United States to defend human and environmental rights of marginalized communities. As advocates of people affected by internationally funded projects, they focus on innovative ways to facilitate access to justice. They specialize in non-judicial complaint mechanisms such as OA.

For more information please check out the official website:  
<http://www.accountabilitycounsel.org/>