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Activity Report 2024

The Environmental and Social Complaints Mechanism

The AFD Environmental and Social (E&S) Complaints Mechanism enables any individual, group, community or company who consider that they have been concretely affected by the environmental and/or social impacts of an AFD-funded project to file a complaint with the Mechanism. This report presents the results for the year 2024 and the outlook for 2025.

FOREWORD



Since its creation in 2017, the referrals of the E&S Complaints Management Mechanism have continued to rise, except for the highly atypical year 2024.

The year 2024 marked a 40% increase in the number of filed complaints compared to 2023, whilst at the same time the registration rate remained very limited as the criteria were only rarely met.

The vast majority of complainants are individuals (over 70% in 2024) and, noticeably, the countries of origin of the projects targeted by the complaints are quite diverse.

This implies that the Mechanism is now better identified by the stakeholders of AFD-funded projects, particularly by individuals and CSOs. What now needs to be improved is the understanding of the criteria defined by the Mechanism.

2024 also gave rise to a wealth of in-house reflection on new topics emerging from the referrals and on AFD's capacity to position itself on these typologies, on the resources to deploy, and the objectives to be reached. This reflection will be continued into 2025 and should lead to a Mechanism that is in tune with the current context and at the service of AFD's strategy.

Lastly, this year saw the overall renewal of the team in charge of the Mechanism, and I would like to take advantage of this introduction to thank Mélanie Corbé, Juliette Van Wassenhove and Catherine Garetta for their support in developing the Mechanism and also wish the new team in place, which I am honoured to be part of, a good start and every success in the internal and external support involved.

Marianne Sivignon-Lecourt, Ethics Advisor and Internal Mediator



The Act 2021-1031 of 4 August 2021 recalls that France's policy on inclusive development and the fight against global inequalities supports the principles of partner countries' appropriation of development priorities, of harmonisation, alignment, a priority on results, development partnerships open to all, as well as on transparency and mutual accountability. For this reason, the E&S Complaints Mechanism (the "Mechanism") plays a key role and provides a direct and confidential channel for individuals and communities affected by an AFD-funded project to express their concerns about the social and environmental impacts of these projects.

After seven years of operation and 35 complaints received in 2024, the Mechanism remains a unique tool aimed above all at conciliation through dialogue with the beneficiaries of our financing, as well as with the people or communities affected by our projects. When it comes to complex cases, the Mechanism remains a tool not only for seeking solutions but also for enhancing our operational practices.

The year 2025 will be the opportunity not only to complete a whole series of initiatives launched after the last capitalisation exercise (for instance, establishing mitigation measures and developing a deliverable on the risk of retaliation, or updating the procedure applied to the Mechanism), but also to study the relevance of extending the Mechanism's scope to sexual abuse, harassment and exploitation.

Membership of the IAMnet international network, the launch of France's new feminist diplomacy and the dialogue with civil society should also feed into the Mechanism so that it can adapt, keep pace with the times and play its part in promoting rights.

Catherine Bareyre, Head of the CSR, Sustainability Reporting and Transparency Unit

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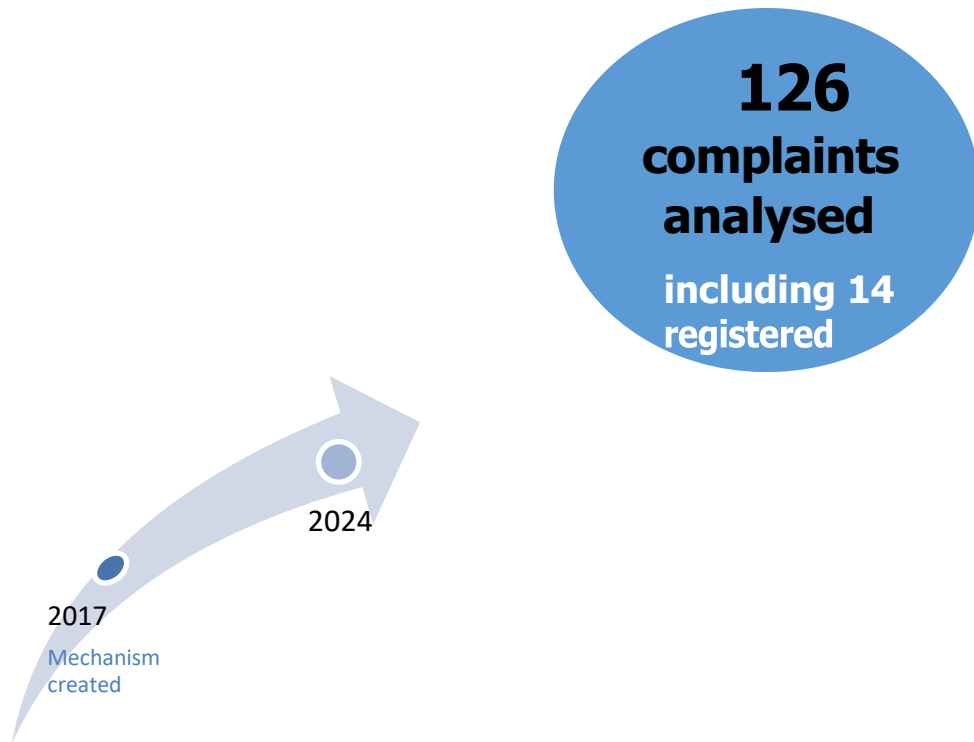
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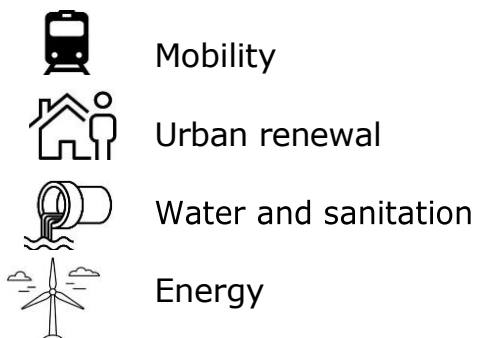
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IN SHORT



CAPITALISATION AND LEARNING...

80% of complaints involve **infrastructure projects in Africa**

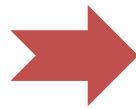


The most frequent **environmental and social impacts reported:**

Lack of consultation

Environmental harm
(various types of pollution, harm to biodiversity, noise pollution...)

Expropriation and resettlement of people



Expectations...



1 in 2 complainants
expected to receive
financial compensation by
referring to the Mechanism



9 complainants in 10
found referring to the
Mechanism easy or
quite easy



70% of complainants consider
they were listened to as
expected and received answers
to their questions

1. PRESENTATION OF THE MECHANISM

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

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

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

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

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

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

- Conciliation involves proposing the intervention of a neutral, independent and impartial third party to help reach an agreement between the complainant or their representative and the beneficiary of AFD's financing on the dispute giving rise to the complaint.

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

² [Rules of Procedure : E&S Complaints Mechanism 2022](#)

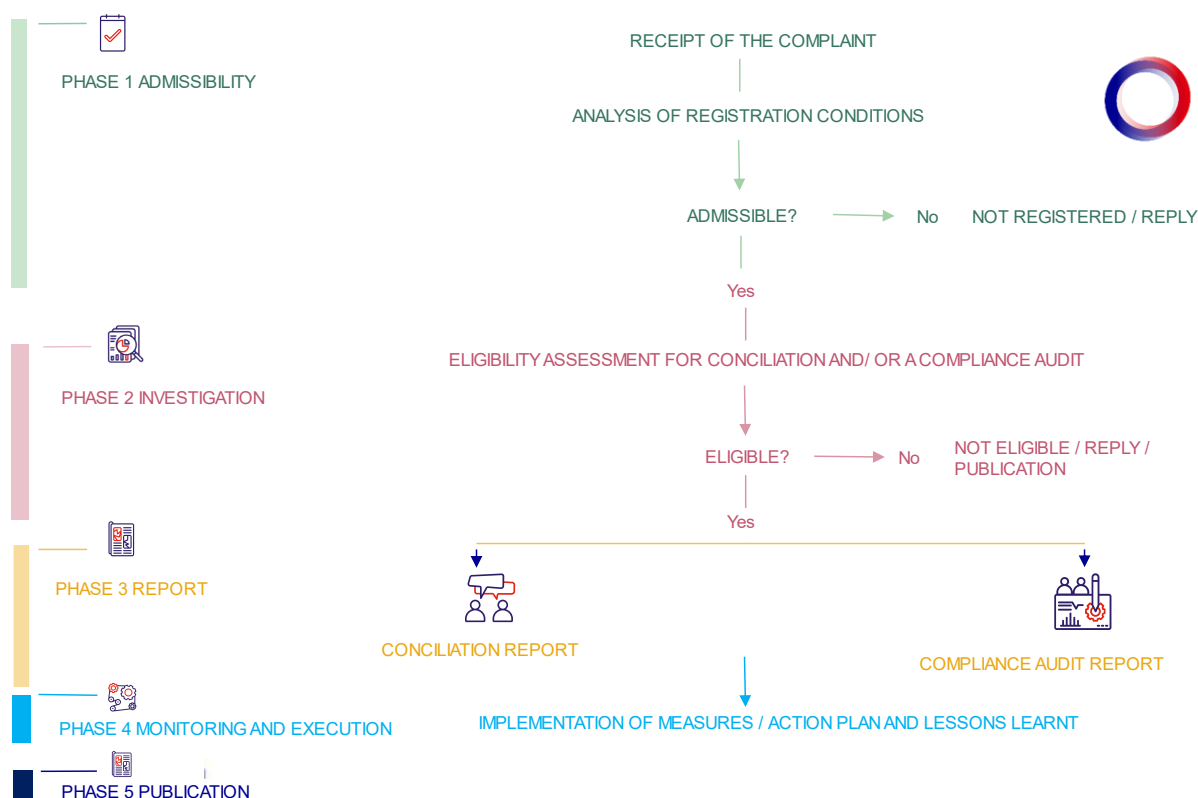
³ The scope of the Complaints Mechanism matches that of AFD's E&S risk management approach. As projects launched by CSOs and the FFEM apply other standards, they are not eligible for the remedies proposed by the Mechanism.

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

- The objective of the compliance audit is to determine whether or not AFD has complied with its E&S risk management approach for a project it has financed.

Based on the independent expert's report, the Eligibility Committee chaired by the Ethics Advisor and Internal Mediator decides case by case on the eligibility of the complaint and the type of processing that can be proposed by the Mechanism.

THE PROCESS FOR DEALING WITH COMPLAINTS RECEIVED BY THE MECHANISM



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

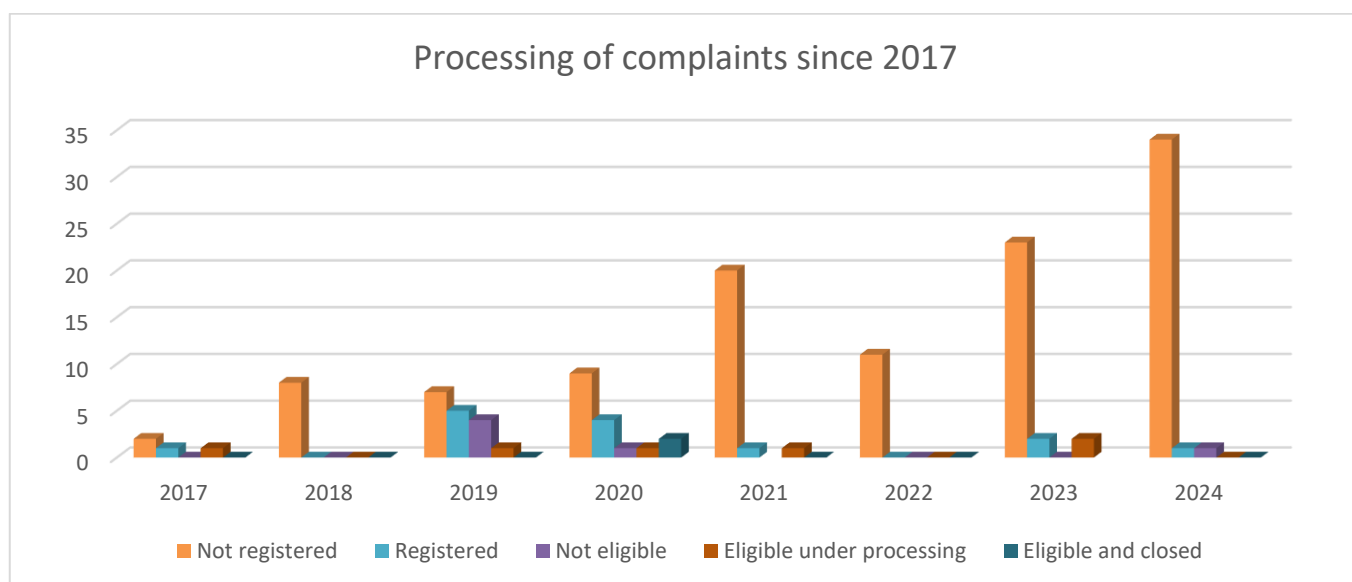
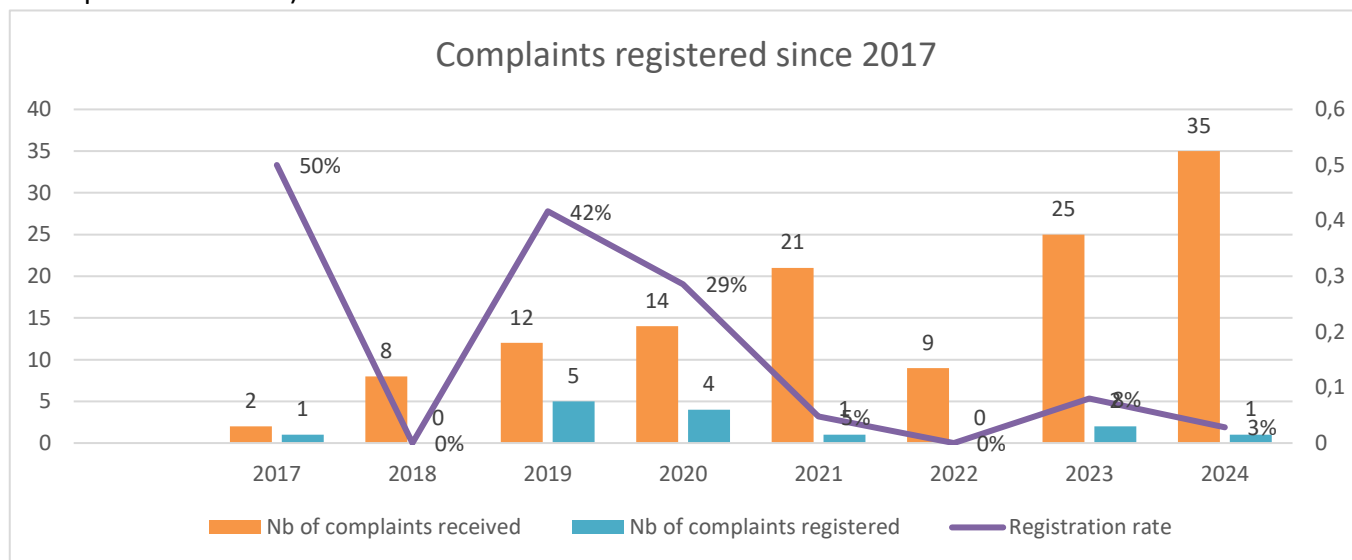
Note that in 2019 Proparco, AFD Group's private sector financing arm, joined a similar complaints management mechanism created by its counterparts DEG (Germany) and FMO (Netherlands), with whom it regularly cofinances projects. Four complaints were received in 2023. AFD's and Proparco's mechanisms exchange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

⁵ <https://www.proparco.fr/en/environmental-and-social-independent-complaints-mechanism-icm>

2. OVERVIEW OF THE MECHANISM'S ACTIVITIES

A – CHANGE IN CLAIMS RECEIVED

Since its creation in 2017, the mechanism has received 126 complaints. Like the year 2023, 2024 saw a rise in the number of complaints with 35 complaints received of which only one was registered (see point E. below for the various reasons for non-registration of the complaints received).

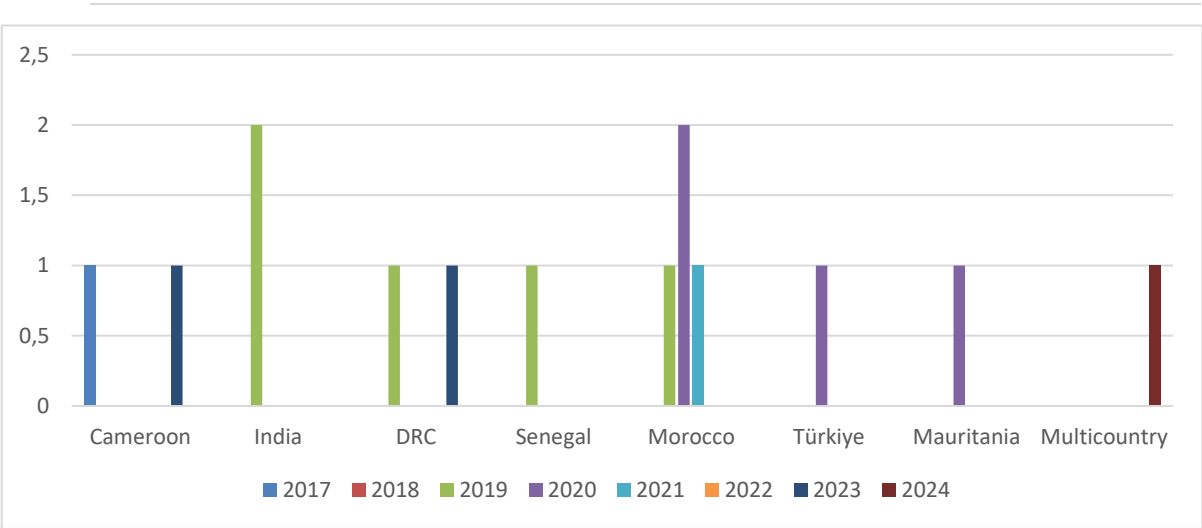


Note that in 2024, three “non-registered” complaints are under processing through local extra-judicial conciliation mechanisms.

B – COMPLAINTS BY COUNTRY

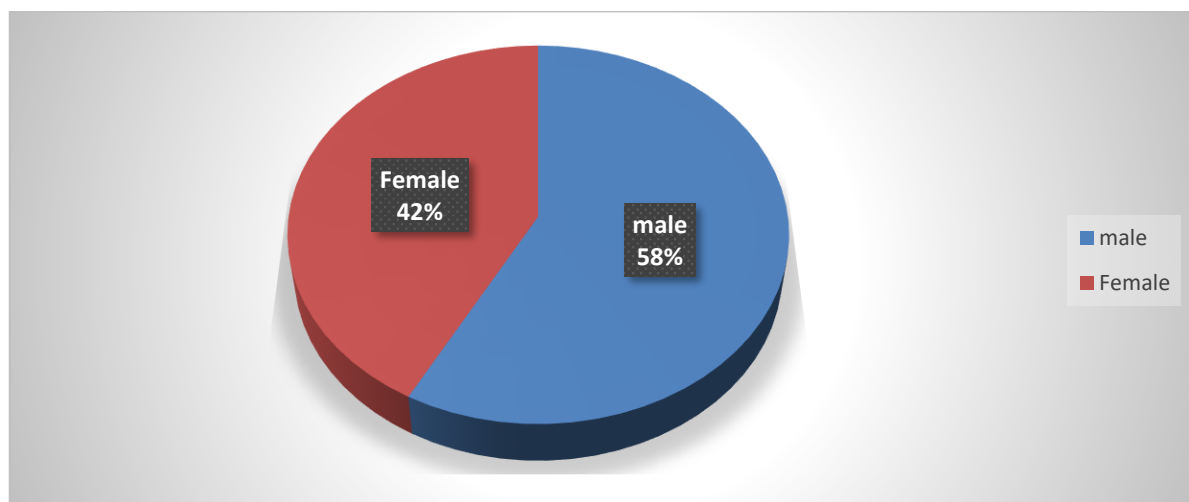
In 2024, the complaints received came from 22 different countries spanning very diverse origins. Out of 35 received complaints, 22 were from Africa (63%), 8 from Asia (23%), 3 from the “Three Oceans” region, (8%), 1 from Latin America (3%) and 1 involved a multi-country “CZZ” project (3%).

Since 2017, the complaints registered by the Mechanism come from the following countries:

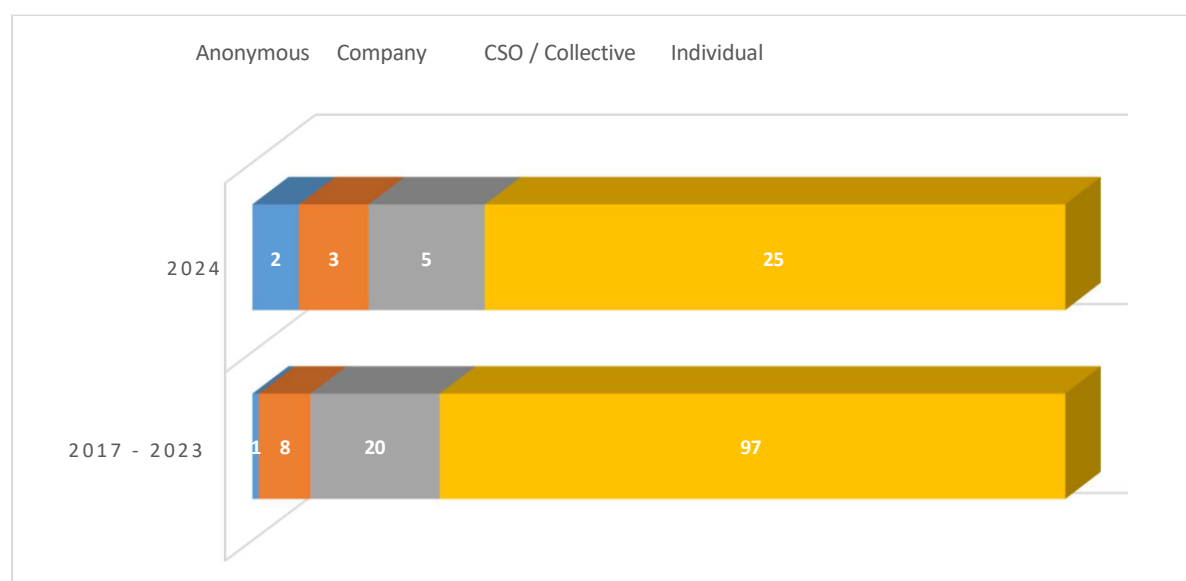


C – COMPLAINTS BY SEX

In 2024, 42% of the complaints were filed by women. This proportion has increased, although the Mechanism is still predominantly used by men (73% since 2017).



D – COMPLAINTS BY TYPE OF COMPLAINANT



Two-thirds of the complaints received were filed by individuals and around 20%/ by civil society organisations or groups of residents. Complaints filed by companies relate to

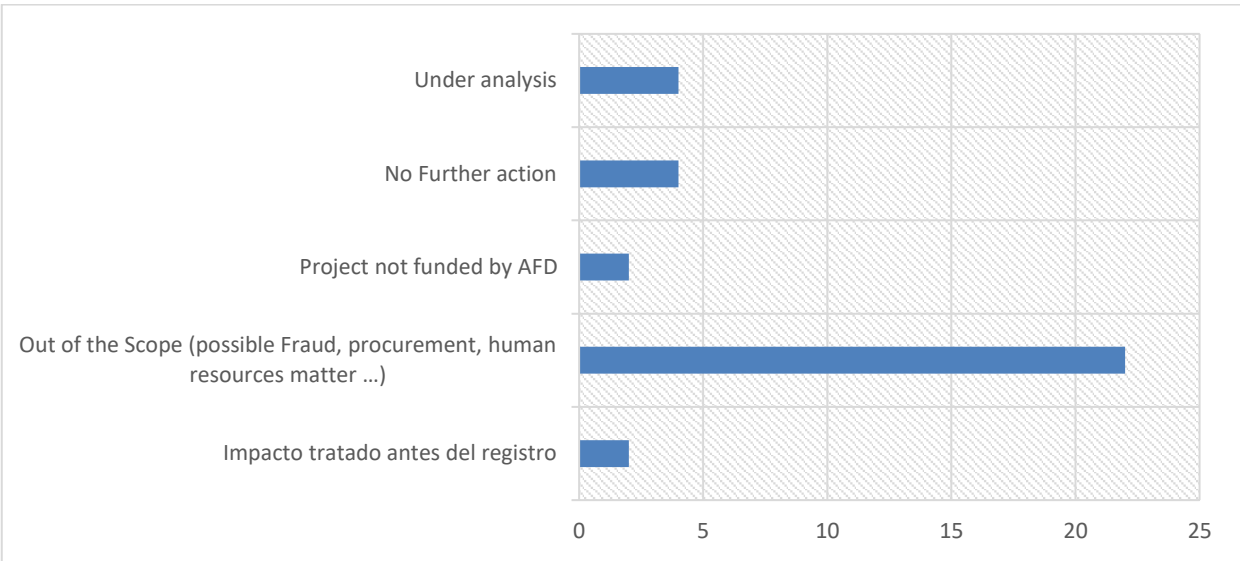
“procurement” matters which are not covered by the Mechanism.

E – REASONS FOR NON-REGISTRATION OF COMPLAINTS

In 2024, 34 of the 35 complaints received did not meet the registration criteria. The chart below shows the reasons for their rejection.

The term “under analysis” means that the Complaints Office is checking that the complainant “has not exhausted or unsuccessfully used other avenues of out-of-court dispute resolution provided by the beneficiary of AFD financings”.

The term “no further action” means that the complainant has not responded to the emails or requests from the Mechanism’s Complaints Office for precisions/documents.



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

3. COMPLAINT PROCESSED IN 2024

West Africa

Education research

Project objectives: i) contribute to stimulating the African research ecosystem; ii) maintain the independence and scientific quality of publishing projects; iii) develop a scientific publishing strategy for Africa.

Complaint

The complainant claimed that AFD's beneficiary had not respected the terms and conditions of his work contract.

Resolution

Following the study commissioned by AFD, the complaint was not deemed eligible for conciliation or for a compliance audit as it was outside the scope of application of the Environmental and Social Complaints Mechanism.



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4. PROCESSING OF COMPLAINTS PRIOR TO 2024

4.1 Central Africa

Dam / hydropower

Project objective: construction of a regulating dam, a hydropower plant at the foot of the dam and a high-voltage transmission line.

Year received: 2023

Complaint

A collective representing the local communities alleged that the AFD-funded project had the following impacts: poor definition of the environmental and social impact study area; lack of consultation; rural exodus driven by the decline in sources of income; disruption of pirogue crossings due to flooding; disruption of income-generating activities (fishing, hunting, agriculture, etc.).

Processing

This complaint was registered in 2023. The analysis confirmed the eligibility of this complaint. Given that no conciliation was possible, the eligibility assessment led to prioritising a compliance audit. The conclusions of this audit were shared within AFD in December 2024. The ensuing action plan is now under preparation.



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4.2 Central Africa

Dam / hydropower

Project objective: construction of a regulating dam, a hydropower plant at the foot of the dam, and a high-voltage transmission line.

Year received: 2023

Complaint

The complainant alleged that the beneficiary of AFD's financing had not paid his fees or reimbursed his expenses.

Resolution

A conciliation enabled an agreement to be reached between the complainant and the beneficiary. The complaint was closed in 2024.



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4.3 Central Africa

Vocational training centre

Complaint

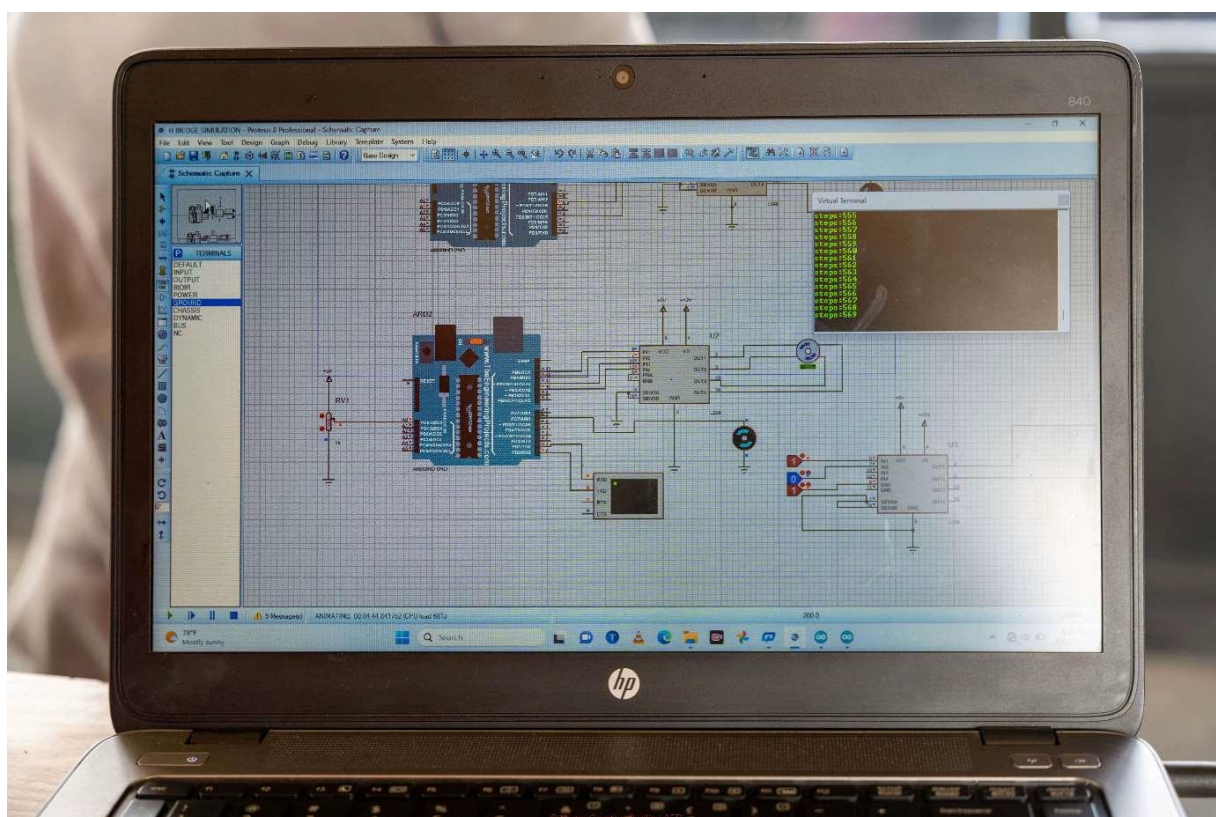
The complainant claimed that the AFD-funded project had led to illegal deforestation and land-grabbing by the beneficiary of AFD financing.

Project objective: financing for a project providing additional support to strengthen the offering of vocational training

Year received: 2023

Resolution

The beneficiary of the financing sent the project-related E&S documentation he had available so that the Mechanism could study it in the light of the above-mentioned allegations. Given the region's geopolitical situation, AFD is not in a position to process this complaint at this stage, which will be the case as long as the security situation remains unchanged.



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4.4 Central Africa

Urban development

Complaint

Project objective: Improve residents' living conditions through land-use planning

Year received: 2021

The complainant claims that he did not receive due compensation following his eviction from his land.

Resolution

The Mechanism approached the operational teams who were able to follow the situation with the beneficiary of the AFD financing. A first third of the due amount was paid by the municipality to the former owner in May 2022. A second payment was made in November 2023. The municipality committed to pay the balance due in 2024 and this is currently being checked.

AFD plans to visit the project in the first quarter 2025. As exchanges are continuing between the parties, it did not seem necessary for the Mechanism to register this complaint.



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4.5 Central Africa

Water and sanitation

Project objective: rainwater drainage works

Year received: 2017

Complaint

The complainant claims that he has not received compensation following his expropriation.

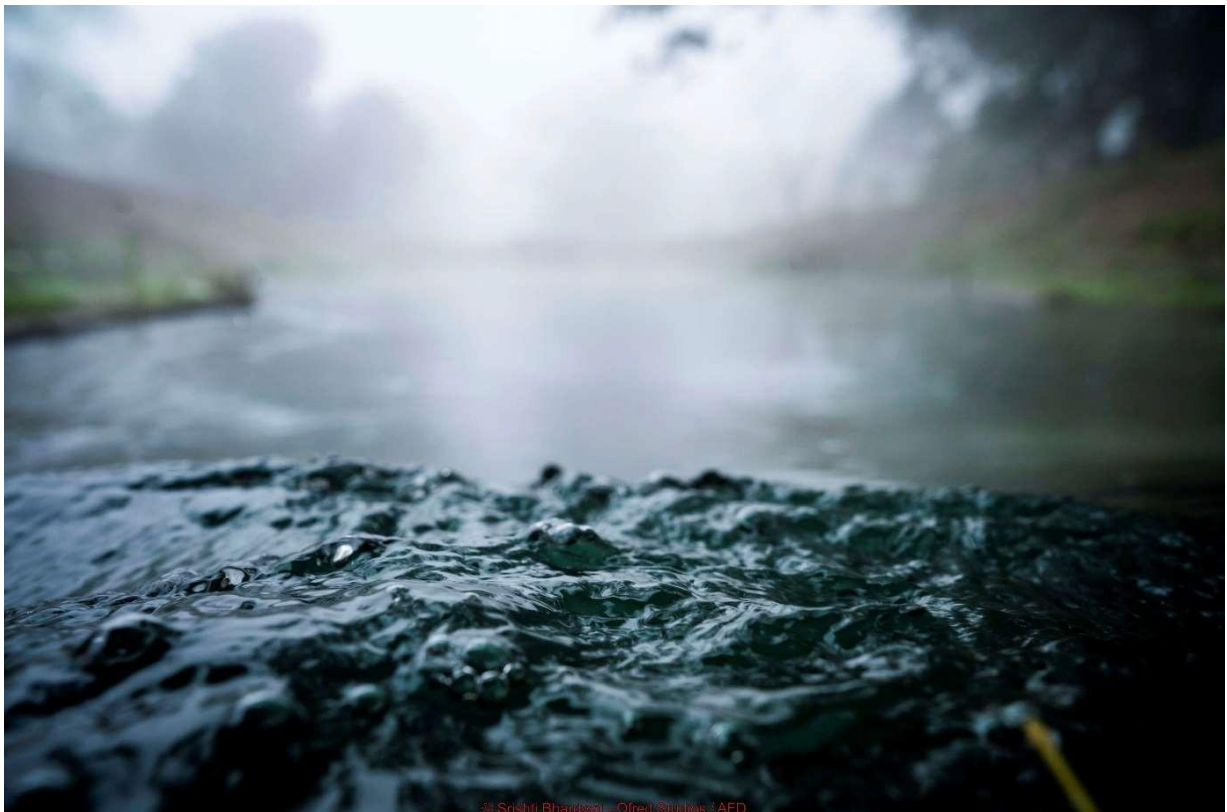
Resolution

The complaint was registered in 2017 and the eligibility assessment had concluded that a conciliation process and a compliance audit should be launched.

The conciliation led to an agreement with the complainant. This part of the complaint was closed.

Based on the compliance audit, AFD established an action plan to ensure that people being resettled would be followed up. A decentralised ex-post evaluation of the project was carried out in 2022 with particular attention being paid to how resettlement issues were handled.

AFD maintains a dialogue with the beneficiary of the financing to ensure that the resettlement process is duly completed.



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4.6 North Africa

Water and sanitation

Project objective: financing for wastewater treatment projects

Years received: 2020, 2021 and 2022

Complaint

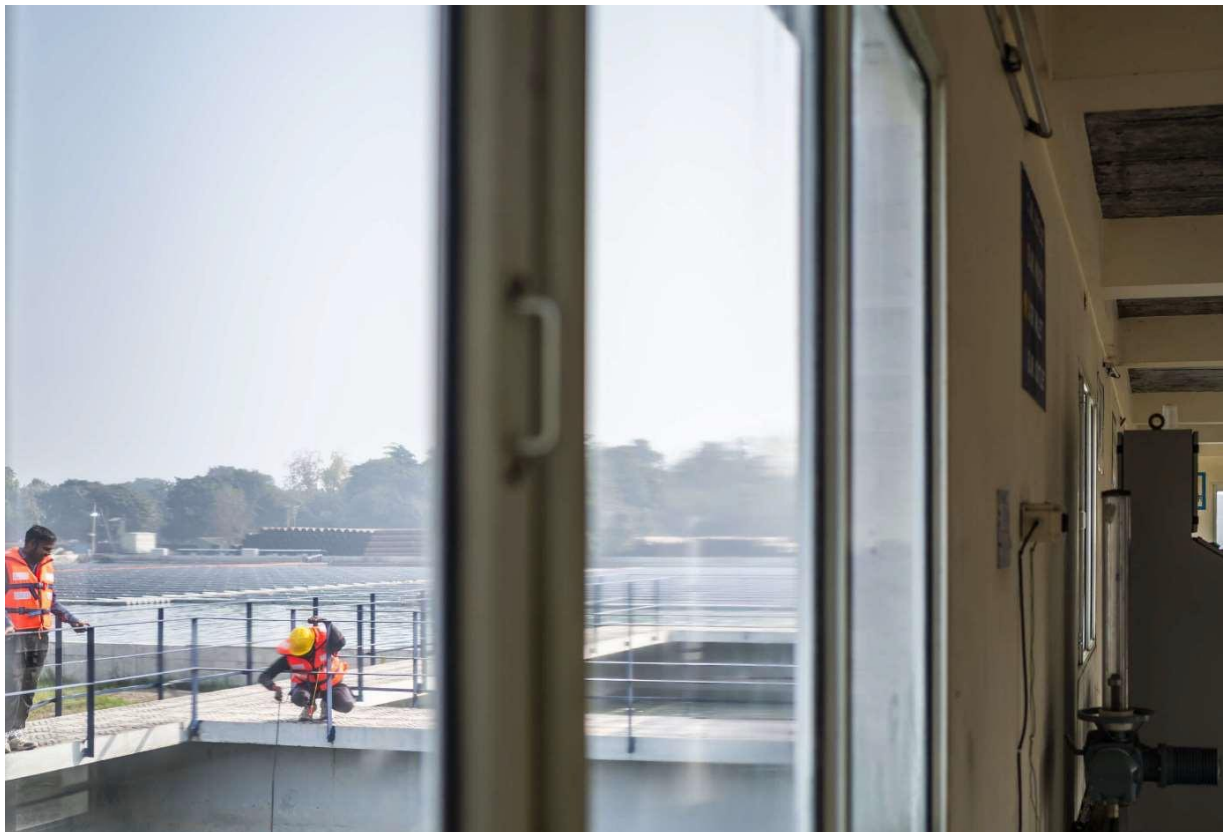
Complaints filed by several associations allege a lack of public consultation, the potential pollution of an oasis, and irregularities in the environmental and social due diligences carried out on several projects supervised by AFD and another donor.

Resolution

The complaints underwent eligibility assessments which recommended that conciliation and compliance audit be carried out.

For want of an agreement between the parties, it was not possible to complete the conciliation processes. This part was thus closed.

The compliance audits were performed and the conclusions presented to the AFD teams.



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4.7 North Africa

Urban development / land-use planning

Complaint

In the context of a citizen consultation, a local association alleged irregularities in the voting process.

Project objective: financing for urban incubator schemes

Year received : 2023

Resolution

The local AFD agency provided details on the governance of the ballot, as well as on the rules of the selection committee for this consultation. The complaint was outside the scope of the Mechanism.



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4.8 West Africa

Mobility

Project objective: financing for rail transport project

Years received: 2019 and 2020

Complaint

Two complaints filed by collectives in 2019 and 2020 alleged that there were social impacts in the implementation of the project's resettlement plans and a lack of consultation with the people likely to be affected.

Resolution

The complaint underwent an on-site eligibility assessment conducted jointly by an independent expert and the independent inspection mechanism of the development bank associated with the financing. The Eligibility Committee declared the complaint eligible for conciliation, which the parties agreed to, as well as for a compliance audit.

The Mechanism called on AFD's internal mediator to conduct the conciliation jointly with the conciliator of the development bank concerned. The conciliation, which involved several meetings and support work from a local consultant, was closed in November 2021. It enabled some cases to be resolved, but it was deemed that no further progress could be made towards a broader agreement. This part of the complaint was closed.

The action plan based on the results of the compliance audit was drawn up and the operational teams are in charge of monitoring it.



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4.9 South Asia

Water and sanitation

Complaint

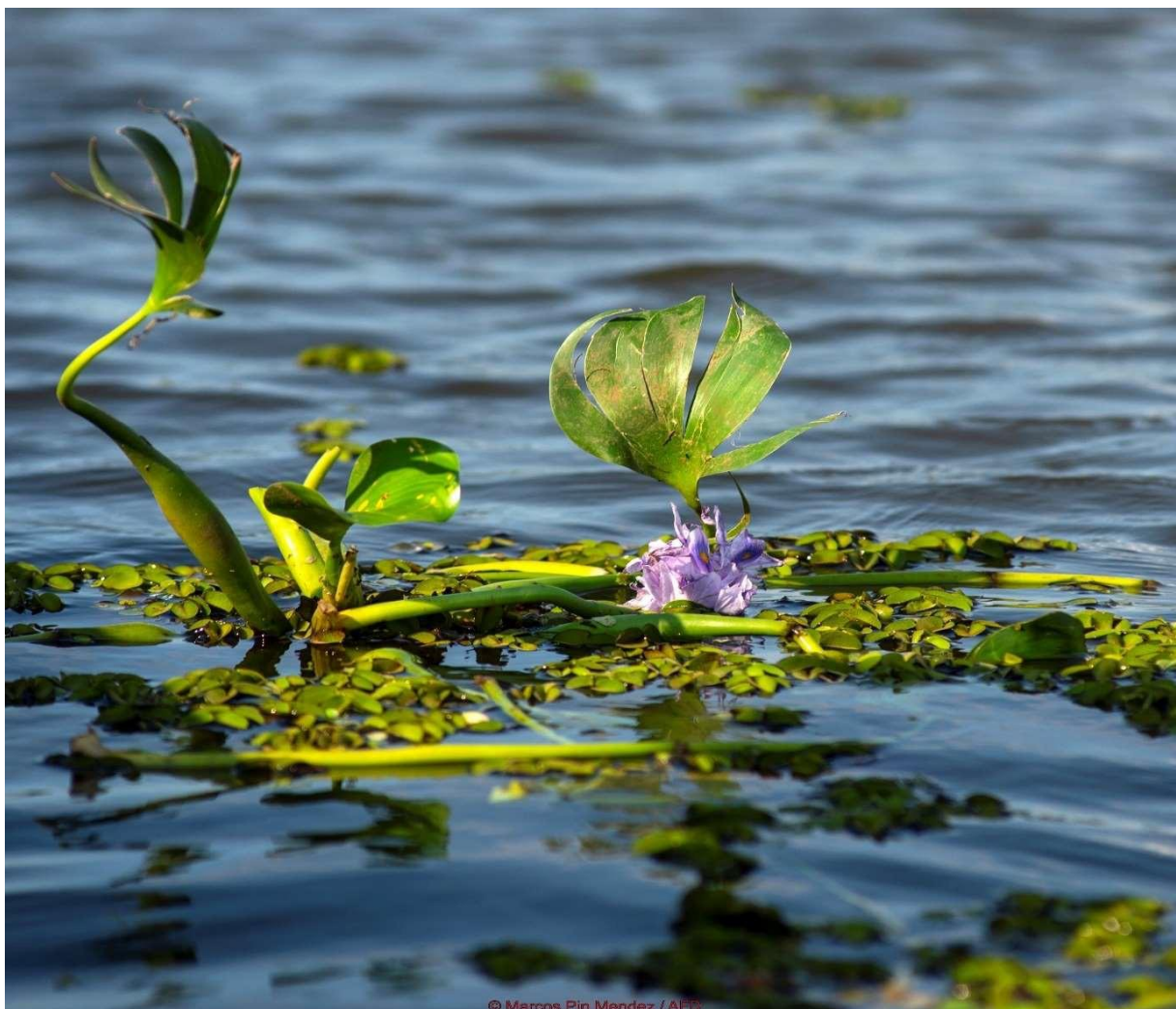
The complainant denounced various impacts on the highway (dirt, mud, flooded area) that were allegedly caused by the AFD-funded project.

Project objective: financing for a project to construct a water and sanitation system

Year received: 2023

Resolution

This complaint was the subject of active discussions between the main co-financier of the project, the beneficiary of the AFD financing and the complainant. Renovation works were carried out by the beneficiary of the AFD financing. The file was closed in 2024.



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5. LEARNINGS AND OUTLOOK

5.1 Capitalisation

The capitalisation approach applied in 2022 aimed to examine what lessons had been learnt from the complaints received since the creation of the Mechanism in 2017 and how these are perceived by the different stakeholders. Analysis of documentation relating to the complaints, surveys and interviews proved highly instructive and helped to produce a roadmap encompassing two main challenges together with points to ponder:

- How can we better respond to the concerns of complainants? Accessibility, clarification of missions, analysis of the life cycle of complaints are all topics that have resulted in actions to improve the Mechanism's efficiency.

On this first challenge, important modifications have been made to the AFD web page dedicated to receiving complaints. These allow for better accessibility, more concise explanations on the process, as well as the possibility to attach documents. Statistics on the life cycle of complaints have helped to make processing them more efficient for the Complaints Office.

- How can we use complaints to continuously improve operational practices?

On this second challenge, integrating the divisions concerned into the Eligibility Committee has allowed a shared improvement of environmental and social practices, be it on risk prevention or project monitoring–implementation.

These points of reflection are to be continued, particularly those on the internal monitoring of risky projects, the direct awareness-raising of counterparties who are more particularly concerned by high environmental and social risks, and the place given to complainants within the Mechanism (compliance audit, consultation on substantive subjects).

5.2 Combatting retaliation

Pursuing the capitalisation approach, the Mechanism wanted to launch a project on how to combat the retaliation that could be experienced by claimants who refer to the Mechanism. This project has led the Mechanism to produce a benchmark and conduct in-house interviews. A deliverable will be proposed to the Steering Committee at the end of the first semester 2025.

5.3 Sexual exploitation, abuse and harassment (SEAH)

Sexual exploitation, abuse and harassment (SEAH) represent a serious violation of human rights that can arise in different contexts, including humanitarian and development operations in the field. As a result, it is imperative that the organisations and their partners integrate effective measures to prevent, detect and respond to SEAH incidents across all their operations. A feasibility study has been commissioned by AFD to examine the SEAH processes that already exist within AFD, produce a benchmark of the practices of (bilateral and multilateral) donors, and study the relevance of integrating SEAH into the E&S Complaints Management Mechanism. This reflection is in progress.

5.4 A new procedure and an adjustment to the rules of the Mechanism

A project to review the environmental and social complaints management procedure and the Rules of Procedure was launched in 2024 and is in progress.

