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# OeEB Grievance Mechanism

Environmental, Social and Human Rights

17 December 2024

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# I. OeEB’s grievance mechanism

## Introduction

At OeEB, we aim to uphold environmental, social and human rights standards<sup>1</sup> in all our business activities. However, we are aware that there are challenging country- and sector-specific situations and complex business structures that carry a risk of adverse impacts.

Our **grievance mechanism** aims to address these impacts and provide our stakeholders with **a fair and transparent process for raising concerns**. We welcome constructive, respectful, and open dialogue and take complaints seriously. We believe that they are key for taking targeted actions to address problems early on and prevent further hardship. Furthermore, they can contribute to constant improvement of all parties involved. Therefore, we also **encourage our portfolio companies**<sup>2</sup> to establish effective grievance mechanisms commensurate with their size and the risks for their business activities (see OeEB Human Rights Policy). Like our own grievance mechanism, they should be oriented to the **effectiveness criteria** set out in the UN Guiding Principles on Business and Human Rights (UNGPs)<sup>3</sup> and provide for an accessible, transparent and equitable process that is communicated to potentially affected stakeholders.

Both our and our portfolio companies’ **corrective and remedial actions** depend on the respective types of involvement in adverse human rights impacts and may typically lead to the following actions:<sup>4</sup>

Causing impacts	Contributing to impacts	Being directly linked to impacts
<ul style="list-style-type: none"> <li>— Cease or prevent the action or omission causing the adverse impact</li> <li>— Remedy the adverse impact</li> </ul>	<ul style="list-style-type: none"> <li>— Cease or prevent the action or omission causing the adverse impact</li> <li>— Use leverage to mitigate adverse impacts</li> <li>— Contribute to remediation</li> </ul>	<ul style="list-style-type: none"> <li>— Use leverage to mitigate adverse impacts</li> <li>— Use leverage to enable remediation</li> </ul>

We **do not tolerate** any form of **threats, reprisals or retaliation** against complainants or their representatives who lodge complaints. We take such allegations seriously, investigate them and strive to exercise our leverage to prevent such actions occurring and to discipline those involved in them. We cannot provide legal or physical protection to complainants but will strive to cooperate with organisations that may be able to provide support (e.g. ombudsman organisations, victim support organisations).

Neither our nor our portfolio companies’ grievance mechanisms preclude access to other non-judicial grievance mechanisms (e.g. the OECD National Contact Points, the IFC Compliance Advisor Ombudsman, other DFI grievance mechanisms) or judicial pathways. We will cooperate in these processes if a complaint is filed against OeEB or one of our portfolio companies.

Our grievance mechanism should not be interpreted as creating legal obligations for OeEB that it would not otherwise have but clarifies our approach to grievance management. It also sets expectations for our portfolio companies.<sup>5</sup>

## Governance of the grievance mechanism

Our grievance mechanism is implemented by the **Grievance Office** which is part of OeEB's Unit for Development Policy. It is responsible for the overall management of the grievance process and is **independent** from the Investment Departments. The Grievance Office **reports to** the internal **Grievance Committee** which is composed of representatives of the Environmental and Social, Credit Risk, Legal and Development Policy departments. The Committee oversees the process, collects lessons learned and reports to the Executive Board. Where necessary, the grievance process can be supported by **external experts** commissioned by the Grievance Office or the Grievance Committee. The Grievance Office is subject to Austrian data protection, banking secrecy and disclosure requirements.

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## II. Procedure

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OeEB's grievance mechanism is open to **environmental, social and human rights concerns**<sup>6</sup> related to **our or our portfolio companies' conduct**. For complaints on other matters e.g. whistle blowing or banking regulations see [OeEB contact center](#). It offers a **dispute resolution process** which is conceived as a collaborative problem-solving process undertaken in good faith and on a voluntary basis by all parties. The overall **aim** is to elaborate **mutually agreeable solutions** based on negotiation or mediation. The process is either facilitated by OeEB's Grievance Office (Phase 3: Preliminary review) or an independent external mediator (Phase 4: Independent mediation).

### Phase 1: Submitting a complaint and acknowledgement of receipt

**Timeframe: Usually within 5 working days**

Complaints can be filed by

1. affected individuals, groups or their representatives (**individual complaint**), or
2. other stakeholders who are not directly affected, but have a legitimate interest based on their organisational purpose, e.g. civil society organisations, media (**general complaint**). General complaints (e.g. NGO concerns, media reports, parliamentary requests, etc.) are not treated as complaints under the individual complaint process outlined in this document. They will be addressed separately in an adequate format which is decided on a case-by-case basis, e.g. a stakeholder dialogue, written statements, etc.

All complaints **can be lodged by** email ([feedback@oe-eb.at](mailto:feedback@oe-eb.at)), by filling out the relevant online form ([Feedback \(oe-eb.at\)](#)) or by sending a letter<sup>7</sup> in English or German. Complaints should include the **following information**:

- The name or description of the specific project or company, which was allegedly involved in the adverse impacts
- A description of the harm suffered or the harm that is likely to be suffered (this may include documentation photos, videos, etc.)
- A description of the steps already taken to address the concerns, if any (e.g. concerns raised through the portfolio company's grievance mechanism, other development finance institutions' mechanisms, other non-judicial mechanisms<sup>8</sup>, legal steps, complaints raised against government conduct)
- Name and contact information of the complainant(s) (address, telephone number, email)
- If the complaint is submitted by a representative, evidence of the representative's authority to represent the complainant(s)
- An indication of the desired outcome (e.g. change of behaviour, adherence to environmental, social and human rights standards, remediation)

Personal data of the complainant(s) and their representatives (name, ID data, contact information such as telephone number, email address, mailing address, actual address) will be treated confidentially, unless they explicitly request the publication of their identities (in this case please contact us via [feedback@oe-eb.at](mailto:feedback@oe-eb.at)).

**Anonymous complaints** which do not include the name of the complainant(s) will be addressed, to the extent possible, on the basis of the information provided.

Our Grievance Office registers all complaints and sends an **acknowledgement of receipt** to the complainant(s) usually **within 5 working days**.

## Phase 2: Eligibility assessment

**Timeframe: Usually within 25 working days**

In the eligibility phase, the **Grievance Office** examines whether the complaint fulfils the following **formal criteria for assessment**:

- Alleged non-compliance with environmental, social or human rights standards (notably IFC Performance Standards, UN Guiding Principles on Business and Human Rights, see OeEB Human Rights Policy).
- Adverse impacts linked to our or our portfolio companies' operations
- OeEB contractual relationship with the portfolio company that ended no longer than two years ago
- Concerns are not manifestly ill-founded or malicious.

Where necessary for the assessment, the Grievance Office may request **additional information** from the complainant(s). If the project is co-financed with other investors such as bilateral or multilateral development banks, we strive to cooperate with the grievance mechanisms of these institutions. The Grievance Office will inform the complainant(s) about an envisaged cooperation and discuss the terms of information sharing. If the complainant(s) requests **confidentiality**, we will refrain from disclosing their identity to other institutions.

The Grievance Office usually communicates its **assessment of** whether the complaint fulfils the criteria for it to be pursued, including a brief **explanation** and a description of the **next steps** in the process **within 25 working days**.

## Phase 3: Preliminary review facilitated through OeEB

**Timeframe: Usually within 30 working days**

In this phase, the **Grievance Office** strives **to elaborate a solution** together with the complainant(s) and the portfolio company. If the complaint is related to the portfolio company's conduct only, the Grievance Office takes a mediatory role. If it includes our own conduct, it seeks to broker a solution on a negotiation basis.

During the process, the Grievance Office can take steps to **gain a deeper understanding** of the case which may include the following actions:

- Reviewing the environmental, social and human rights due diligence and monitoring process and the contractual provisions
- Individual consultations with relevant stakeholders, e.g. the portfolio company, complainant(s), other affected stakeholders, civil society organisations, trade unions, independent experts, government representatives, representatives of international organisations, etc.
- Establishing a dialogue process with the complainant(s) and other relevant stakeholders
- Analysing particular contextual risks (e.g. conflict patterns, discriminatory patterns, poverty, quality of state governance, implementation of laws, etc.)
- Conducting site visits

If the process results in a mutually agreeable solution between all parties, the Grievance Office drafts a **preliminary case report**. Depending on the outcome and the parties involved, the preliminary report contains one of the following:

1. If the complaint is against the portfolio company only, a **mediated agreement** on corrective and/or remedial actions between the portfolio company and the complainant(s) using the good offices of OeEB.<sup>9</sup>
2. If the complaint involves the portfolio company and OeEB, a **negotiated agreement** on corrective and/or remedial actions resulting from negotiations between OeEB, the portfolio company and the complainant(s).
3. If there is no agreement on corrective or remedial actions in this phase, an **agreement on the next steps in the process** (e.g. proceeding to independent mediation in Phase 4 of OeEB's grievance mechanism or filing the complaint with a different non-judicial mechanism<sup>10</sup>).
4. If there is **no agreement** on the above mentioned options, the process will be concluded and documented in the concluding case report.

**Corrective actions** focus on the goal that harmful actions are stopped, prevented or mitigated and not repeated in the future. They may be necessary from the beginning of (or over the course of) the business activity and may include e.g. capacity building measures.

**Remedial actions** seek to provide recourse to affected stakeholders, so that they are restored to the extent possible and feasible to the situation they would have been in had the actions not happened. Remedial actions can take different forms which may also be combined depending on the adverse impacts and the agreement with the complainant(s), e.g.:

- Restitution: e.g. enabling affected stakeholders to return to their land or job
- Rehabilitation: e.g. providing health services to cure physical or psychological health
- Satisfaction: e.g. recognition of harm and apologies
- Compensation: financial or non-financial compensation, e.g. land
- Commitment of non-repetition: e.g. revision of policies and processes

The parties are invited to review and comment on the **preliminary case report** within **10 working days** (extensions may be granted). Based on the feedback received, the Grievance Office prepares a **concluding case report** and closes the case. If the Grievance Office does not receive feedback on the preliminary case report from the parties within the designated period, it can close the case based on the preliminary case report.

## Phase 4: Independent mediation facilitated through an external mediator

### Timeframe: Case-by case

If the parties could not solve the case during the preliminary review phase and agreed on an independent mediation process, the Grievance Office can offer to involve an **independent mediator** who takes the lead on the conflict resolution process. The Grievance Office takes an accompanying role in this phase and oversees administrative and procedural requirements. The mediator needs to be accepted by all parties and is selected according to the following criteria:

- Mediation expertise
- Knowledge of environmental, social and human rights standards
- Knowledge of the local and cultural context.

The mediation process is characterised by the **voluntary participation** of all parties, the **impartiality** of the mediator, **confidentiality** during the process and the **parties' autonomy to work out their own solutions**. The mediator and the parties can cancel the mediation procedure at any time, e.g. if there is a lack of active participation or bad faith on behalf of one of the parties.

In the preparation phase, the mediator may, in cooperation with the Grievance Office, take measures to **gain a deeper understanding**, which can include the following actions:

- Reviewing the environmental, social and human rights due diligence and monitoring process and the contractual provisions
- Individual consultations with relevant stakeholders, e.g. the portfolio company, complainant(s), OeEB departments involved in the case, other affected stakeholders, civil society organisations, trade unions, independent experts, government representatives, representatives of international organisations, etc.
- Establishing a dialogue process with the complainant(s) and other relevant stakeholders
- Analysing specific contextual risks (e.g. conflict patterns, discriminatory patterns, poverty, quality of state governance, implementation of laws, etc.)
- Conducting site visits
- Commissioning in-depth research or joint fact-finding

The **time needed** for the investigation and mediation process depends on the complexity of the case. The Grievance Office will suggest an estimated timeframe at the beginning of the process and adapt it as necessary.



If the mediation is successful, the **mediator drafts a preliminary independent case report** summarising the findings of the investigation, where necessary, and the mutually agreed solution between the parties, including proposals for corrective and remedial actions. If the parties cannot reach an agreement during the mediation process, the mediator documents the points of disagreement.

The parties are invited for review and comments within **10 working days** (extensions may be granted). Having received the parties' feedback, the **mediator prepares the concluding independent case report**.

## Phase 5: Monitoring

All parties involved in the case (portfolio company, OeEB and complainant(s)) are responsible for implementing their respective actions agreed on in the grievance process. **Monitoring** of the corrective and remedial actions of the portfolio company is a **shared task** between the Grievance Office and OeEB departments involved in the case. We aim to use our leverage to prompt adequate implementation, where necessary and feasible **also up to two years after termination** of the contractual relationship with the portfolio company. Monitoring measures can include:

- Reviewing the reports and documentation of the portfolio company
- Maintaining dialogue with the complainant(s), affected stakeholders and other relevant persons
- Conducting site visits
- Establishing independent monitoring structures through experts
- Other forms of monitoring depending on the case (e.g. community monitoring)

Where the monitoring process reveals that the agreed corrective and/or remedial actions **do not adequately address** the adverse impacts, the Grievance Office works with the portfolio company and the complainant(s) to agree on **adapted actions**. Where necessary, it can involve an independent expert (e.g. a mediator).

The **Grievance Office will keep the complainant(s) informed** on the progress of the implementation of corrective and remedial actions and encourage the portfolio company to do so as well. **Preliminary monitoring reports** on the corrective and remedial actions drafted by the portfolio company or the independent expert, as appropriate, are subject to comments by the parties in a designated timeframe. Based on this feedback, the Grievance Office compiles **final monitoring reports**.

## Phase 6: Final close-out

After the finalised implementation of the corrective and/or remedial actions, the Grievance Office drafts a **preliminary close-out report** and sends it to the parties for their review and comments in a designated timeframe. Based on their feedback, it prepares a **final close-out report** which summarises the results of the corrective and remedial actions and contains further recommendations as necessary.

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## III. Disclosure and institutional learning

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### 1. Disclosure

OeEB's grievance procedure is detailed on our [website](#). Furthermore, we publish a complaints register, which includes (to the extent permitted under applicable confidentiality rules) the following information:

- the date when the complaint was lodged
- number
- the relevant sector
- grievance category (e.g. right to an adequate standard of living)
- the current status of the complaint procedure.

### 2. Evaluation

We conduct an annual evaluation of the complaints to identify lessons learned and root causes that could be addressed on a more systematic level, e.g. through changes in policies and procedures or capacity building. Feedback from complainant(s) and external stakeholders, such as NGOs, will help to optimise the mechanism.

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## IV. Nature of policy document

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The present document outlines the grievance mechanism OeEB follows in addressing complaints. It was issued as a policy document the 17<sup>th</sup> of December 2024 and reflects OeEB's current policy position on this issue. We will evaluate the implementation and the effectiveness of the grievance mechanism as part of the mid-term review of the OeEB Strategy 2024-2028.

## References

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- <sup>1</sup> IFC Performance Standards, UN Guiding Principles on Business and Human Rights, OECD Guidelines for Multinational Enterprises, see also OeEB Human Rights Policy.
- <sup>2</sup> The term 'Portfolio Companies' encompasses all OeEB clients including direct investments (corporates) and indirect investments (financial intermediaries).
- <sup>3</sup> OHCHR Accountability and Remedy Project: Meeting the UNGPs' Effectiveness Criteria, SUMMARY OF ARP III GUIDANCE 10 December 2021, [arp-note-meeting-effectiveness-criteria.pdf \(ohchr.org\)](#)
- <sup>4</sup> See UNGPs, pps 13, 19; [guidingprinciplesbusinesshr\\_en.pdf \(ohchr.org\)](#).
- <sup>5</sup> See Endnote 2. .
- <sup>6</sup> Most environmental and social concerns can be related to human rights (e.g. the right to a clean, healthy and sustainable environment, the right to health, etc.) as set out in the International Bill of Human Rights or the ILO Declarations referred to in the UN Guiding Principles on Business and Human Rights.
- <sup>7</sup> Development Bank of Austria (Oesterreichische Entwicklungsbank), Strauchgasse 3, 1010 Wien.
- <sup>8</sup> See e.g. IAMnet (<https://accountability.worldbank.org/en/iamnet> ); Accountability Console, [IAMS | Accountability Console](#).
- <sup>9</sup> The expression 'Good Offices' is a technique of peaceful settlement of a dispute, in which a third party, acting with the consent of the disputing parties, serves as a friendly intermediary in an effort to persuade them to negotiate a solution between themselves. See e.g. 'Good Offices' as a peaceful means of settling disputes | VIA Mediation Centre.
- <sup>10</sup> See note 8.



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