

Eligibility Statement

External Version
Project: *
ICM Case: 2024-06
Date: 07.11.2024

* EDITING OF THE ELIGIBILITY DETERMINATION: In line with the IKI ICM policy (Section 3.5.1), this eligibility statement is redacted so as not to disclose any information that could identify the person(s) and/or organizations which are the subject of the complaint. This also relates to information about the IKI project in question, particularly the country, name of the project, funding amount and the competent Ministry.

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1 INTRODUCTION

The Independent Complaint Mechanism (ICM) of the International Climate Initiative (IKI) was established to enable people who suffer (potential) negative social and/or environmental consequences from IKI projects, or who wish to report the improper use of funds, to voice their complaints and seek redress. The ICM Policy¹ dated 1 February 2022 sets out how the ICM deals with complaints from a person, group of persons, or community who may be/may have been negatively impacted by or during the course of an IKI project and/or would like to report significant adverse environmental impacts caused directly by the IKI project and/or that would like to provide evidence of economic crime or violations of budgetary or grant law by or in the course of an IKI project. Once a complaint is received, the ICM Policy requires the ICM to determine if the complaint is eligible. It is to be noted that this determination is procedural and that it does not represent a judgement on the merits of the case (Section 4.1.2 (g)).

2 SUMMARY OF ELIGIBILITY DETERMINATION

For reasons stated in this document, the ICM determines that this complaint is **ineligible** under the ICM Policy.²

3 COMPLAINT AND PROCEDURAL HISTORY

The complaint

The ICM received the complaint on 11 June 2024. The complaint relates to a project in the Europe & Central Asia region funded by IKI. The complaint alleges, among others that:

- (a) funds were being appropriated and paid to individuals and organizations without proper justification;
- (b) financial specialists were being pressured into developing contracts and to allocate funds to selected staff, despite such staff not being involved in the project;
- (c) recruitment of staff was being done without transparent advertising and goods procured without following established procurement procedures; and
- (d) there was a pattern of mismanagement and misuse of funds at the implementing organisation.

The complainant(s) requested confidentiality and wanted to remain anonymous for fear of retaliation. The ICM agreed to this request.

The ICM acknowledged receipt of the complaint on 19 June 2024.

¹ Available at: https://www.international-climate-initiative.com/fileadmin/iki/Dokumente/Beschwerdemechanismus/IKI_ICM_policy_EN_202202.pdf.

² EDITING OF THE ELIGIBILITY DETERMINATION: This complaint relates to the misuse of funds. In line with the IKI ICM policy (Section 3.5 Nr. 1), this eligibility statement is therefore redacted so as not to disclose any information that could identify the person(s) and/or organizations which are the subject of the complaint. This also relates to information about the IKI project in question, particularly the country, name of the project, funding amount and the competent Ministry.

Steps taken by the IKI ICM to assess the eligibility of this complaint

The ICM thereafter contacted the complainant(s) and obtained further details on the complaint. The ICM also confirmed that the complaint directly related to an IKI project. However, IKI funding for this project had been provided only for the project preparation phase. No funds had been provided to the implementing organisation (IO) for project implementation. A project agreement was being negotiated at the time of this eligibility report. The ICM also obtained and examined (1) the grant agreement with the project IO (2) the revised project budget and (3) payment documentation under the project (including bank charges, taxes, and pension contributions, staff salaries etc) for the months of February to June 2023 and connected documentation. It is to be noted that there are no receipts for travel, logistics or other such services among these documents as the agreement in force was only to prepare a project for funding and most, if not all, the funding was used for staff salaries and payments to experts for this purpose.

Communication with ZUG/IKI and IO

The ICM, in keeping with its policy,³ contacted ZUG and the Implementing Organisation (IO), the relevant Ministry and IO and invited them to comment on the complaint. For this purpose, the ICM provided ZUG, the relevant Ministry and IOs with a redacted version of the complaint. The above mentioned documents were provided by the IO and the IO in response to the inquiry.

4 ELIGIBILITY ASSESSMENT

The ICM examined the eligibility of the complaint against the ICM Policy.

As described above and in more detail in the ICM Policy, the ICM “investigates breaches of environmental and social safeguards, budgetary law, incidents of financial crime, reprisals and threats against complainants that fall under the scope of the IKI’s funding activities.”⁴ Complaints must relate to one of the categories of complaints outlined in the ICM Policy.

Based on the examination of the material available to the ICM, there does not appear to be any financial mismanagement or misappropriation about IKI funds provided for the preparatory phase of this project. The Complainant(s) were also not able to provide evidence substantiating their allegations. The financial documentation received by the ICM shows that the only payments made were for staff salaries and expert payments. These are all supported by receipts and Bank documentation. There are no travel or logistical expenditures for this project.

³ IKI ICM Policy, Section 4.1.2(c).

⁴ IKI ICM Policy, Section 1.

The eligibility criteria and the ICM's findings in relation to these criteria are set out in the table below.

Criterion	Yes/No/Not applicable	Reason(s)
Was required information provided to the ICM (see Sections 3.4 and 3.5 of the ICM Policy)?	Yes	The complainant(s) have provided all required information as set out in Section 3.4 and 3.5 of the ICM Policy.
Does IKI have a funding relationship with the project (whether past, present or future)?	Yes	The project involved is financed by IKI.
Is there a link between the IKI-funded project and the subject of the complaint?	Yes	The subject of the complaint is about the unauthorized diversion of funds in an IKI-funded project.
Are there grounds for exclusion (Section 3.7) of the complaint?	No	The complaint does not fall into any of the exclusions set out in Section 3.7 of the ICM policy.
Is there at least one (1) complainant.	Yes	
Does the complaint relate to safeguards?	No	
If so, (a) have the complainants credibly demonstrated that either they themselves or third parties are impacted or are likely to be impacted by an IKI project? ⁵ (b) Does the complaint include information about (potentially) significant (not) indirect adverse effects or risks to complainants or third parties?	a) Not applicable b) Not applicable	Not applicable
Does the complaint relate to economic crime or violations of budgetary or grant law	Yes	The complaint relates to alleged misappropriation and mismanagement of IKI funds
If so, has the complainant provided evidence of criminal acts or violations of German budgetary law?	No	The complainant(s) have not provided evidence of violations of criminal acts or German budgetary law.
Does the complaint relate to reprisals of threats against complainants	No	The Complainant(s) fear reprisals, but none have taken place. ICM is treating this complaint as confidential and anonymous.
If so, have specific incidents of reprisals or threats been included in the complaint?	Not applicable	

⁵ Exception: in case of negative environmental impacts, this criterion of individual concern may be waived if the environmental impacts are direct, are significant, and are directly caused by the IKI project.

5 ELIGIBILITY DETERMINATION

Considering all the evidence available at this initial procedural stage, the ICM concludes that the eligibility criteria as set out by the ICM Policy are not fulfilled. The ICM consequently determines that the complaint is ineligible.

The ICM will inform the supervisory body and the complainant(s) and other parties involved that this complaint is ineligible (Section 4.1.2 (e) and (f)). This decision will also be published on the ICM website. This complaint will thereafter be closed.

Issued by the ICM Independent Expert Panel

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