



Grievance Redress Mechanism at the institutional level

The Grievance Redress Mechanism (GRM) is a fundamental component to guarantee the effective participation of individuals, groups, collectives, organizations and communities throughout the life of a project.

The GRM allows the building of trust between the different parties involved in an initiative and prevents small disagreements from escalating into major conflicts.

FMCN has a tiered mechanism for receiving and addressing complaints and reports, which comprises two levels of action:

- ✓ An institutional-level Grievance Mechanism for the prevention and detection of fraud, acts of corruption and non-compliance with the Code of Ethics; institutional procurement disputes; personnel nonconformities; and environmental and social issues of a project.
- ✓ A project-level Grievance Mechanism, included in FMCN's Operations Manual, which handles project-related complaints and reports.

I. OBJECTIVE

The purpose of the GRM at the institutional level is to provide a free, accessible, inclusive and structured procedure for receiving, evaluating and making recommendations for the resolution of complaints and reports related to the projects that FMCN finances.

II. GUIDING PRINCIPLES

The GRM respects human rights and follows national and international human rights standards, with the following guiding principles:



Accessibility	<ul style="list-style-type: none"> • Volunteer. • Known to all stakeholders. • With multiple channels: phone, email, SMS, WhatsApp, through contact with FMCN staff or follow-up field visits.
Predictable	<ul style="list-style-type: none"> • Provides a clear and known procedure to interested parties.
Transparency	<ul style="list-style-type: none"> • Respectful of confidentiality, when necessary and requested. • Keeps interested parties informed of the progress of the complaint or report.
Compatible with the rights	<ul style="list-style-type: none"> • The resolution is consistent with the national and international rights recognized.
Equity	<ul style="list-style-type: none"> • Fair, informed, respectful and professional treatment, in accordance with due process. • Does not restrict the right to use other available grievance mechanisms.
Based on commitment and dialogue	<ul style="list-style-type: none"> • Focuses on dialogue as a means of addressing and resolving complaints and reports.
Continuous learning	<ul style="list-style-type: none"> • Stakeholder consultation for improvement • Periodically evaluates its performance, complaint trends and the way in which resolution is implemented.
Legitimacy	<ul style="list-style-type: none"> • Enables stakeholder's trust.

III. STRUCTURE AND MANAGEMENT

The GRM at the institutional level is under the responsibility of FMCN's Internal Auditor and is supported by three collegiate bodies: the team of directors, the Institutional Accompaniment Committee (IAC) and the Board of Directors (BD), all of which are responsible for its effective and efficient operation.

In the case of complaints, the Internal Auditor, with the knowledge of the General Director, receives a written complaint, initiates an investigation and submits a file to the corresponding collegiate body, which takes the appropriate actions and supervises, through its designee, the implementation of the agreements reached.



If the person involved in the complaint is the Internal Auditor, the General Director initiates an investigation and submits a file to the IAC.

If the person involved in the complaint is the General Director, the Internal Auditor initiates an investigation and submits the file to the BD.

In the case of complaints, the team of directors is responsible for the inquiries to respond to admitted complaints. If the person involved in the complaint is an area director, he/she will be separated from the analysis and resolution of the complaint.

The Regional Funds, which function as support for the implementation of FMCN projects (see description in the Organizational Manual) will have their own complaints and report mechanisms, appropriate to the scale and purpose of the projects to which they are related, and will inform interested individuals or groups of individuals of the existence of procedures for presenting complaints and reports. FMCN will share best practices and provide guidance to support capacity building of the Regional Funds' complaints and report mechanisms.

In the case of inquiries about general reports, the Communication Area is responsible for responding to the person concerned. In the event that the Communication Area receives a report or complaint, it will forward it to the Internal Auditor and General Director.

IV. SCOPE

The institutional-level GRM applies to all FMCN-funded projects and operates throughout their life cycle; it is not a court of appeals or a legal mechanism.

The GRM at the institutional level receives complaints and reports from:

- a. Individuals or groups of two or more individuals, communities or organizations that believe they have been or may be affected by the adverse impacts of an FMCN-funded project.
- b. The legitimately authorized representative(s), provided that he/she submits written proof that he/she is authorized to represent the persons or groups of persons, communities or organizations on whose behalf he/she is acting.
- c. Individuals or entities executing projects, sub-projects or Annual Operative Plans (AOP) financed by FMCN.
- d. Workers linked to projects, sub-projects or AOPs, regardless of their position or seniority. In accordance with the Whistleblower Protection (see



Organizational Manual), whistleblowers will not receive any retaliation for their complaint or report.

- e. Individuals who are members of the committees related to the projects.
- f. Persons providing consulting services or goods and services related to projects, sub-projects and AOPs.
- g. FMCN collaborators.

The person or persons filing the complaint or report may indicate whether they wish to keep their identity and the reasons for invoking it confidentiality. In this regard, the GRM at the institutional level will not supplant the judicial remedies available to the person filing the complaint or report.

The GRM at the institutional level is aligned, at all times, to FMCN's relevant operational policies, such as the Code of Ethics, Privacy Notice, Whistleblower Protection Policy; Procurement Dispute Resolution Policy; Prohibited Practices Policy; Protection against Sexual Exploitation, Abuse and Harassment Policy; Prevention of Money Laundering and Terrorist Financing Policy; Zero Tolerance Statement; Fraud and Corruption Clauses; and Environmental and Social Policy; which aim to prevent, avoid and mitigate negative activities or institutional misconduct.

V. EXCLUSIONS

The GRM at the institutional level does not process complaints or reports when:

- a. FMCN is not responsible for the financing of the project to which the complaint is appealing;
- b. the specific issues or topics have already been reviewed and concluded by the hotline in another process, unless the request presents new information, material or evidence that was not available at the time the complaint or report was previously considered;
- c. is unfounded;
- d. seeks to gain a competitive advantage;
- e. is submitted 24 months after the closing of the project, sub-project or AOP;
- f. is anonymous.



VI. INFORMATION THAT A COMPLAINT OR REPORT SHOULD CONTAIN (criteria of eligibility)

No specific format is required to file a complaint or report. However, to be considered by the GRM at the institutional level it must contain the following:

- The name, address, telephone number, e-mail address or other contact information of the person or persons filing the complaint or report.
- If the complaint or report is issued through a representative, the representative must include written proof that he/she is empowered to represent the persons or group of persons, communities or organizations on whose behalf he/she is acting, as well as provide the identification of the person(s) on whose behalf he/she is submitting the request.
- Clear and explicit indication if the applicant(s) wish to preserve the confidentiality of their identity and the corresponding justification, if applicable.
- The name, location and nature of the project, sub-project or AOPs that has caused or may cause adverse impacts.
- A brief explanation of the situation presented.
- A proposal of how the complaint or report could be resolved (if any, but this is an optional requirement).
- Any other information it deems relevant, including documents, media reports, photographs, videos and recordings, which may assist or facilitate the processing of the complaint or report by the GRM at the institutional level.

VII. PROCEDURE

Complaints and reports may be submitted in writing by mail (Francisco Sosa # 102, Santa Catarina, C.P. 04010, Coyoacán, Mexico City); by e-mail (denuncia@fmcn.org) or by telephone (55 5611 9779 and 55 3701 3801).

FMCN also receives complaints and reports as a result of monitoring procedures, such as field visits, interviews, or personal and direct observation. Complaints and reports may be submitted in writing in Spanish or in the language of the applicant(s), accompanied by a Spanish translation. Complaints and reports may be received by any member of the project's operational or administrative team, who must immediately forward them to the Internal Auditor and General Director.



Upon receipt of the complaint or report within a period not exceeding five working days, the Internal Auditor and the General Director review whether the complaint or report is eligible or not, issue an institutional response on the eligibility or ineligibility of the same and on the procedure to be followed to the person or group filing the complaint or report. The review verifies that it contains all the information required in section (vi) and that it is not clearly linked to any of the exclusions established in section (v). The eligibility determination is an element of the care process and does not represent a judgment on the merits of the complaint or report. During this process, the requesting individual(s) may be offered the opportunity to provide additional information to meet the eligibility criteria for their complaint. The Internal Auditor assigns a folio in the Register of Complaints and Reports, where she will record the data and date of receipt. The Register will be the log that will keep track of subsequent steps.

If the complaint or report is eligible, one of the following approaches will be adopted to provide a solution (see figure 1):

1. When the complaint is minor, i.e., it does not involve the operational team and does not require further information, the team of directors analyzes the complaint and issues a resolution. As it is a minor complaint, a detailed action plan is not required and the area director keeps Internal Audit informed. The maximum response time is 20 working days. If the person involved in the complaint is an area director, he/she will be separated from the analysis and resolution of the complaint.
2. When the complaint or report requires an investigation¹, the Internal Auditor prepares an investigation file, compiles the necessary documentation and conducts the interviews she deems appropriate. The Internal Auditor keeps the General Director informed. The investigation file is submitted for analysis and resolution by the IAC when the complaint or report is related to: violations of the Code of Ethics; conflict of interest; procurement disputes; situations of exploitation, abuse and sexual harassment; retaliation. The investigation file is submitted for analysis and resolution by the Board of Directors when the complaint or report has an institutional impact; when the person involved in the report is a member of a technical committee, Board of Directors or General Assembly of Associates. The Board Member and Associated Person involved in a

¹ Investigation is the integration of evidence to make a decision of significant magnitude.



report is separated from the process of analysis and resolution of the same. The deadline for issuing a preliminary resolution is 20 working days. A final resolution will be considered when FMCN determines an action plan with defined timeframes and deadlines. In the event that the report does not provide the basic information for the compilation of the time limit will be extended to 20 working days and will be renewable until information, documentation and evidence supporting the report is obtained. When all internal and external remedies have been exhausted and the report remains unfounded, it will be dismissed.

3. When the complaint or report involves the General Director, the Internal Auditor immediately refers the case to the Board of Directors. The deadline for issuing a preliminary resolution is 20 working days.

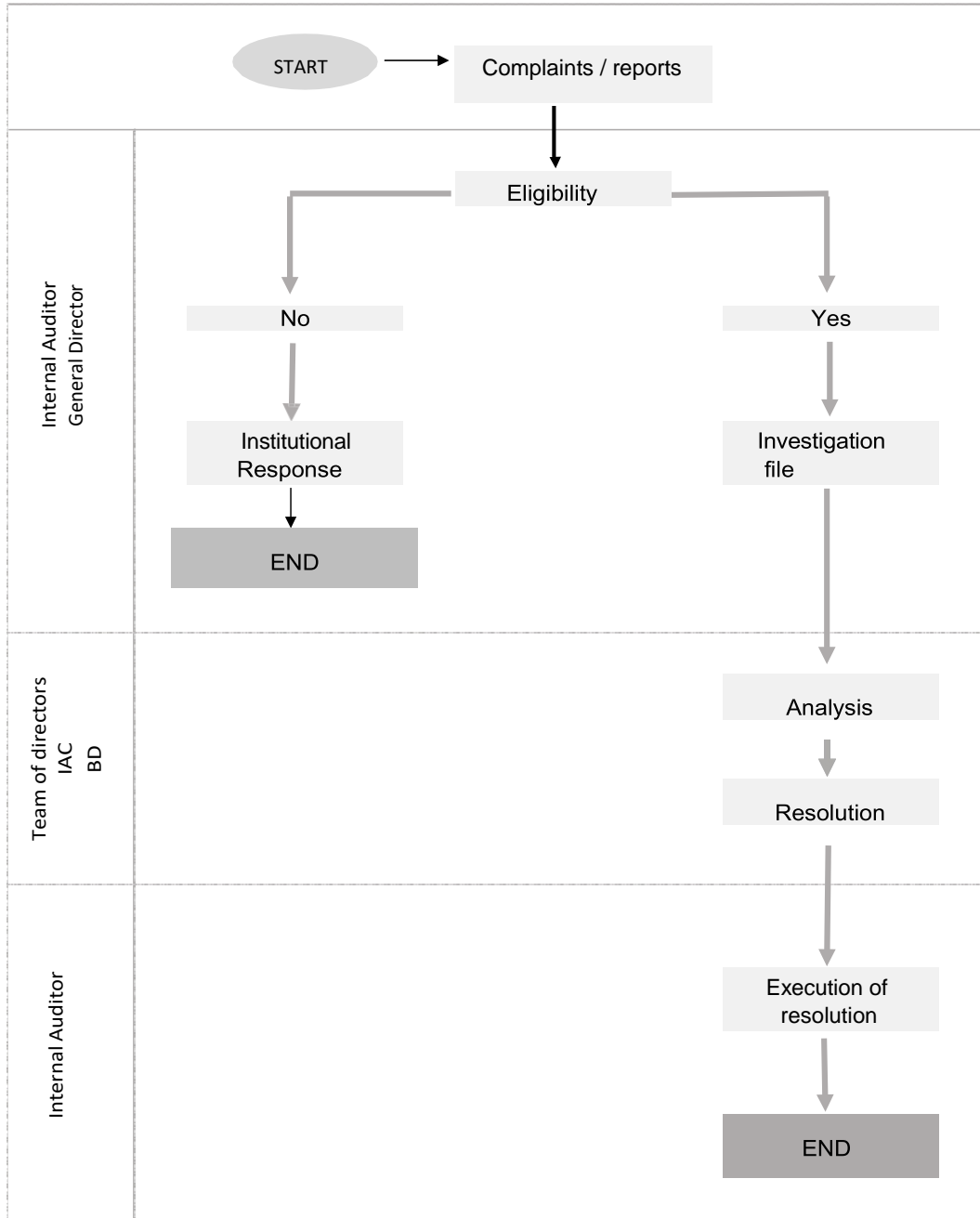


Figure 1. Flowchart on the operation of the GRM at the institutional level.



Collegiate bodies in charge of analysis and resolution		
Team of directors	Institutional Accompaniment Committee	Board of Directors
Classification by topic to be dealt with:		
Complaint	Report related to:	Report with institutional impact
	Violations of the Code of Ethics	
	Conflict of interest	
	Acquisition disputes	
	Sexual abuse, harassment and exploitation	
	Retaliation	
Classification if the complaint or report involves the following positions regardless of the subject matter:		
Director*	Internal Auditor	General Director
		Committee Member
		Counselor* Person
		Associated Person

**Without the person involved*

In the event that an investigation is required, the corresponding collegiate body issues a resolution and the Internal Auditor executes it, i.e., follows up on the observations, recommendations and actions to be taken, as well as the execution schedule and the persons or entities responsible for carrying it out. It also communicates the resolution to the applicant(s) within a maximum period of three working days following the final resolution. The Internal Auditor follows up and documents the execution of the resolution and closes the complaint or report file. All this documentation is included in the Register of Complaints and Reports.

When there is no joint agreement to resolve the complaint or report, the Internal Auditor



may resort to an impartial body, chosen or selected by agreement with the person or persons filing the complaint or report, to investigate the facts and mediate between the parties until a settlement is reached. If efforts to resolve the complaint or report are unsuccessful or inappropriate, the Internal Auditor may terminate the process after consulting with and providing written notice to the person(s) who filed the complaint or report and informing the appropriate collegial body.

The Regional Funds will have their own mechanisms for dealing with complaints and reports, appropriate to the scale and purpose of the projects, sub-projects and AOPs to which they are related, but always aligned with the GRM at the FMCN project level. The Regional Funds and partner organizations will keep the area director responsible for the project informed throughout the process, while the area director, depending on the scale and nature of the complaint or report, will seek advice from the Internal Auditor.

VIII. EVALUATION

The Internal Auditor prepares an annual report on the institutional-level GRM and project-level GRM for submission to the IAC. The IAC, in turn, may request an independent review of the mechanism at any time, or every five years, which may include a detailed assessment of the institutional and project-level GRM guidelines and procedures. Based on the assessment, the IAC decides on appropriate modifications.

Inputs for the annual report come from three sources: i) the Communications Area provides statistics on consultations on general reports; ii) the team of directors provides statistics on minor complaints related to projects at the institutional and Regional Fund levels; and iii) the Internal Auditor provides statistics on reports. The information is consolidated in January for presentation at the first committee meeting.