

PUBLIC

PE-323 LABOR RELATIONS AND CONFLICT RESOLUTION MECHANISMS

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STAFF RULE PE-323 LABOR RELATIONS AND CONFLICT RESOLUTION MECHANISMS

Effective: April 1, 2013

INTRODUCTION: The purpose of this Staff Rule is to define the labor relations principles and establish conflict resolution mechanisms for employees to present and resolve work-related issues and grievances at the earliest possible stage.

INTENDED AUDIENCE: This regulation applies to all Bank employees (as defined below), including staff with permanent, indefinite or fixed-term contracts, as well as Complementary workforce employees (CWEs).

1. SCOPE:

- 1.1. With the purpose of promoting a harmonious and respectful work environment for employees and establishing channels of communication to manage and resolve conflict, this Staff Rule establishes mechanisms to present and resolve work-related issues and grievances at the earliest possible stage. The conflict resolution mechanisms described below are intended to take into account the interests of the parties in a conflict, promote constructive dialogue, and achieve better collaboration. The conflict resolution mechanisms contained in this Staff Rule are part of the Bank's grievance system¹.
- 1.2. The conflict resolution mechanisms recognize the capacity of both employees and the Bank to engage in open dialogue and constructively manage conflict providing alternatives to resolve work-related issues and grievances.

2. LABOR RELATIONS

- 2.1. In promoting and supporting harmonious and respectful labor relations at the Bank, the Human Resources Department advises and supports supervisors in their workforce planning and management, in line with corresponding business needs and objectives.
- 2.2. The Human Resources Department also supports employees and responds to their concerns, as they relate to their rights and obligations and the procedures available to them. In doing so, the Bank's labor relations efforts aim to promote a productive work environment in accordance with its institutional values and in keeping with the framework of employment policies and regulations.
- 2.3. In these capacities, the Human Resources Department has an important role in the prevention and resolution of work-related issues and grievances. Given that conflict is an inherent part of human interaction, the advice and intervention by the Human Resources Department on labor relations seek to anticipate conflicts at the earliest stage, as well as intercede to resolve them once they are brought to the Department's attention through, amongst others, participation in the informal and formal conflict resolution mechanisms described herein.

¹ The Bank's grievance system includes the conflict resolution mechanisms described in this Staff Rule, as well as the Inter-American Development Bank Administrative Tribunal, which was created by Resolution DE-52/81 of the Board of Directors of April 29, 1981, for the purpose of adjudicating any application wherein an employee of the Bank alleges nonobservance of the contract of employment or terms and conditions of employment of such employee, and whose functions are regulated under the Statute of the Administrative Tribunal and the Rules of Procedure of the Administrative Tribunal.

3. CONFLICT RESOLUTION MECHANISMS

- 3.1. The conflict resolution mechanisms include both informal and formal processes.
- 3.2. The informal conflict resolution mechanisms involve the Ombudsperson, as described in [PE-323-1, OMBUDSPERSON](#), and Informal Mediation as described in [PE-323-2, INFORMAL MEDIATION](#).
- 3.3. The formal conflict resolution mechanisms include the Internal Grievance Review process conducted by the corresponding line of supervision and the Human Resources Department; the Formal Mediation, both described in [PE-323-3, INTERNAL GRIEVANCE REVIEW AND FORMAL MEDIATION](#); and the Bank's Administrative Tribunal, whose functions are regulated by the [Statute of The Administrative Tribunal](#).

4. DEFINITIONS

- 4.1. Unless otherwise specified, the terms or concepts below will apply to this Staff Rule and all its Sections and Annexes and will have the following definitions:

Employee:	Any person currently or formerly appointed by the Bank in accordance with its employment practices to render services, regardless of the form of contract, including staff members, consultants, other contractual employees; retired staff members receiving a pension from the Bank Staff Retirement Plan; or any person who is legally entitled to present a claim upon a right of such current, former, or retired staff member.
Formal Conflict Resolution Mechanism:	A conflict resolution mechanism that is available to employees to present grievances. The formal mechanism is composed of a three-tiered process including the Internal Grievance Review by Bank Management, Formal Mediation and the Administrative Tribunal. Internal Grievance Review and Formal Mediation must be exhausted before a grievance is admissible by the Bank's Administrative Tribunal.
Formal Mediation:	A second tier of the formal conflict resolution mechanism to present grievances that have not been resolved through the Internal Grievance Review. The employee, with the help of a Mediator, is provided with an opportunity to attempt a voluntary resolution of grievances with the Bank.
Grievance:	For the purpose of this Staff Rule, an alleged non-observance of an employee's contract of employment or terms and conditions of appointment. The words "contract of employment" and "terms and conditions of appointment" include all pertinent regulations and rules in force at the time of the alleged non-observance. Grievances concerning rights or benefits established by a Bank Staff Retirement Plan are subject to the regulations and procedures established in the respective plan. Decisions concerning findings by the Ethics Officer of the Bank shall be governed by the Code of Ethics and Professional Conduct and the Procedures for the Code of Ethics and Professional Conduct of the Bank.
Human Resources Officer:	Human Resources staff members that assist and advise employees and supervisors in the resolution of work-related issues and/or grievances.
Informal Conflict Resolution Mechanisms:	A conflict resolution mechanism that uses conciliation or mediation to seek to resolve, at the earliest stage possible, work-related issues and/or grievances. These mechanisms include the Bank's Ombudsperson and Informal Mediation.

Informal Mediation:	An informal conflict resolution mechanism that allows the parties to voluntarily engage an expert (the Ombudsperson, the Mediation Secretary or a Mediator) to assist them in reaching a mutually acceptable resolution for work-related issues and/or grievances.
Internal Grievance Review:	Initial procedure of the Bank's three-tier formal grievance resolution mechanism. The Internal Grievance Review is conducted by the corresponding line of supervision and the Human Resources Department within their respective authorities.
Mediation Secretary:	An employee appointed by the President of the Bank and responsible for the administration of Informal and Formal Mediation proceedings.
Mediation:	Conflict resolution mechanism where a neutral third party facilitates communication between two parties to voluntarily reach an informed and mutually-acceptable resolution of disputes. As defined herein mediation can be informal or formal.
Mediator:	An impartial, independent and qualified professional with the necessary experience to assist parties in conflict in reaching informed and voluntary agreements. A Mediator shall not serve as a witness, provide any information or documents, or participate in any administrative or other proceeding of the Bank about cases brought to his/her attention in his/her capacity as Mediator. A Mediator shall not have any interest or stake in the outcome or the settlement of any case presented for mediation.
Ombudsperson:	The Ombudsperson is an impartial and independent employee who acts as a confidential source of assistance in the resolution of work-related issues and/or grievances in general. The Ombudsperson is part of the informal conflict resolution mechanisms of the Bank.
Parties:	Employees and/or the Bank, the latter being represented by the persons designated by Management.
Work-Related Issue:	Employee inquiries or complaints of any nature related to work and employment conditions. Work-related issues may include matters which do not necessarily constitute a grievance (as defined above in this Staff Rule). Decisions concerning findings by the Ethics Officer of the Bank shall be governed by the Code of Ethics and Professional Conduct and the Procedures for the Code of Ethics and Professional Conduct of the Bank. Inquiries or complaints concerning rights or benefits established by a Bank Staff Retirement Plan are subject to the regulations and procedures established in the respective plan.

5. COMMON RULES

5.1. The following provisions will apply to this Staff Rule, its Sections and all of its Annexes:

Confidentiality and Treatment of Information During Mediation:	Unless otherwise agreed by the parties, written or oral information, communications, considerations or representations, provided by the parties and participants during the mediation process, both to the Mediation Secretary and appointed Mediator, shall be kept confidential. Such information may be disclosed by the Mediation Secretary or the Mediator in cases where there appears to be a risk of imminent danger or serious harm to individuals or the Bank.
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If consultation or authorizations are needed for the purposes of reaching or implementing a mediation agreement, management representatives may share information with Bank officers who require knowledge of the matter to assist in this process, in the performance of their official functions for the Bank. Such Bank officers, in turn, will comply with Bank rules and regulations on privacy and confidentiality as applicable.

Proposals for the resolution of work/related issues and/or grievances during mediation and accompanying documentation, shall not be disclosed by the parties upon conclusion of the mediation process, and shall not be admissible as evidence or testimony for any subsequent actions that the parties should elect to pursue thereafter. Any such proposals shall not represent binding commitments, unless formalized in a mediation agreement. Documents which existed before the mediation proceedings and oral statements made prior to mediation proceedings are not protected from later use or disclosure solely because they were discussed or used in mediation proceedings.

Information and documents that are afforded confidential treatment under Bank policies will continue to receive such treatment during mediation.

Reporting Authority:

The Bank has several authorities for reporting Misconduct and Prohibited Practices. Reports of suspected Misconduct by Bank employees should be directed to the Office of Ethics. Reports of suspected Prohibited Practices in Bank-financed activities should be directed to the Office of Institutional Integrity.

The Office of the Ombudsperson, the Mediation Secretary and Mediators are not reporting authorities of the Bank for the purposes of the Sanctions Procedures and the Code of Ethics and Professional Conduct. Therefore, contact with such officials, on its own, would not trigger an investigation and/or would not satisfy the reporting obligations described in applicable rules.

Statute of Limitations:

The participation in any of the Bank's informal conflict resolution mechanisms does not have the automatic effect of amending or suspending any statutory limitation that may otherwise have expired or could expire, or may have not been met, for accessing the jurisdiction of the Administrative Tribunal or any other component of the Bank's formal conflict resolution mechanisms. Nevertheless, the parties may explicitly agree to suspend the tallying of the applicable statute of limitations to access any of the components of the Bank's formal conflict resolution mechanisms.

Tally of Days:

For the purposes of this policy, timeframes are counted in calendar days, starting from the day of the receipt of the notification of the corresponding action or decision. Deadlines due on a non-working day (i.e. official holidays, weekends) will be understood as extended to the next working day.

STAFF RULE PE-323-1, OMBUDSPERSON

INTRODUCTION: The purpose of this section of Staff Rule PE-323 is to define the role of the Ombudsperson.

1. SCOPE

- 1.1. The Ombudsperson position is part of the Bank's informal conflict resolution mechanisms. He/she is an impartial and independent employee who acts as a confidential source of assistance in the resolution of work-related issues and/or grievances in general. The Ombudsperson works for the resolution of particular cases and may make recommendations to the Human Resources Department and Bank's Management in general for the improvement of the functioning of personnel policies for the Bank.
- 1.2. The Ombudsperson endeavors to promote good practices in personnel management, greater organizational and operational efficiency and, in general, foster a harmonious and productive work environment.

2. QUALIFICATIONS OF THE OMBUDSPERSON

- 2.1. The Ombudsperson shall possess the necessary experience and qualifications to assist in the resolution of work-related issues and/or grievances on an informal basis. These skills include the use of mediation, conciliation and conflict resolution, personal attributes, such as integrity and discretion; and a solid understanding of the dynamics of a culturally diverse environment and workplace issues, including being bilingual in Spanish and English.
- 2.2. The Ombudsperson shall be guided by the principles of impartiality, independence and confidentiality. The Ombudsperson will not act as an advocate for either Management or staff. The Ombudsperson's position requires independence from staff and Management, and the avoidance of conflicts of interest or undue influence. All matters brought to the Ombudsperson shall be treated with confidentiality and no action shall be taken on a complaint without the employee's permission, the only exception, at the sole discretion of the Ombudsperson, is where there appears to be a risk of imminent danger or serious harm.

3. FUNCTIONAL RELATIONS

- 3.1. The Ombudsperson shall be independent of any unit or official of the Bank. The Ombudsperson shall not hold any other office or perform any other service in the Bank or in the Inter-American Investment Corporation (IIC or Corporation). The Ombudsperson shall be appointed by the President and report directly to the President. The Ombudsperson's appointment shall be for an initial fixed term employment of 5 years, with eligibility for a second 5-year term. The President may terminate this appointment prior to the end of the corresponding contract term only for good cause.
- 3.2. After serving as Ombudsperson, an individual shall not be eligible for employment in the Bank or in the Corporation in any capacity.
- 3.3. The Ombudsperson shall have direct access to the President, the Executive Vice President, the Vice President for Finance and Administration, all Managers and supervisors and any officer, unit or authority of the Bank, as well as all Bank employees. All employees, including supervisors and managers, are expected to cooperate with the Ombudsperson and to provide all information relevant and necessary to the exercise of the Ombudsperson's functions.

4. AUTHORITY

- 4.1. The Ombudsperson shall consider inquiries or complaints of employees of any nature related to their employment and may make inquiries necessary to support efforts to address concerns. The

Ombudsperson shall exercise good judgment in seeking to facilitate the informal resolution of conflicts, using conciliation or any other appropriate means.

- 4.2. The Ombudsperson shall not have decision-making powers, and may only advise and make suggestions and recommendations, as appropriate, on actions needed to resolve conflicts, work-related issues and/or grievances in an informal, impartial and fair manner taking into account the rights and obligations existing between the Bank and the employees involved. The Ombudsperson's recommendations shall not create precedents for other cases.
- 4.3. The Ombudsperson shall have full discretion to decline to consider cases involving work-related issues and/or grievances that can only be remedied by action affecting the staff at large or all members of a category of staff, or that the Ombudsperson considers have not been brought to his/her attention in a timely fashion. The Ombudsperson shall decline to mediate a resolution of cases involving allegations of sexual harassment and shall refer staff presenting such claims to the Human Resources Department, or such other reporting authority deemed appropriate on the basis of information provided by the staff member.
- 4.4. The Ombudsperson may not compel any party to a dispute or conflict to engage in discussions. All discussions held in the context of his/her functions shall be treated with confidentiality by the Ombudsperson.
- 4.5. Persons seeking assistance from the Ombudsperson are not required to have pursued other avenues for the resolution of their complaints, such as with supervisors.
- 4.6. The Ombudsperson may be consulted on policy issues where his or her views and experience may prove helpful.

5. ACCESS TO DOCUMENTS OR INFORMATION

- 5.1. The Ombudsperson shall have unrestricted direct access to any personnel or other Bank files or information which the Ombudsperson believes, in his/her exclusive discretion, to be relevant to the discharge of his/her functions, with the exception of medical records, which are available only with the express consent of the person concerned. In the event of a dispute regarding access to documents or information, the matter will be referred to the President.
- 5.2. The Ombudsperson shall respect the confidentiality of all information brought to his/her attention or in his or her possession as result of performing duties pursuant to this Staff Rule. Such information shall not be disclosed, except to the extent that the person who brought such matter or provided such information consents to disclosure.
- 5.3. All information and records compiled by the Ombudsperson shall be solely for the use of the Ombudsperson in the performance of his/her functions. Any reports shall be prepared in a manner that will preserve the right to confidentiality of the persons who have brought matters to the attention of, or provided information to, the Ombudsperson. Details of specific cases may be disclosed only with the consent of such persons.
- 5.4. The Ombudsperson shall not serve as a witness, or provide any information or documents, or participate in any administrative or other proceeding of the Bank about concerns brought to his/her attention in his/her capacity as Ombudsperson.

6. REPORTS

- 6.1. The Ombudsperson shall issue periodic reports. The reports shall include an overview of the Ombudsperson's activities and systemic issues related to policies, procedures and practices that have come to his/her attention. The reports shall specify the number and general nature of issues brought to his/her attention and describe in general terms the extent to which they were or were not resolved, together with the reasons for the lack of resolution, and include his/her suggestions, comments or recommendations regarding any aspect related to personnel policies and practices.

7. OTHER RE COURSE FOR EMPLOYEE COMPLAINTS

- 7.1. The provisions of this section of Staff Rule 323 shall not be interpreted or construed as limiting any employee's access to any other conflict resolution mechanism of the Bank.
- 7.2. The intervention of the Ombudsperson in a particular conflict, work-related issue and/or grievance, shall not suspend or otherwise amend the time limitations set forth in the Bank's Staff Rules and regulations for the presentation of formal grievances, except as provided in [paragraph 7.3](#) below.
- 7.3. Upon formal written agreement by the Bank and the employee who pursues the intervention of the Ombudsperson, the time spent in consulting with the Ombudsperson and the time employed by the Ombudsperson in the performance of his/her functions on behalf of an employee would not be counted against the time limits for presenting grievances to the Bank's formal conflict resolution mechanisms.

STAFF RULE PE-323-2, INFORMAL MEDIATION

INTRODUCTION: The purpose of this section of Staff Rule PE-323 is to establish and regulate the framework of the Informal Mediation.

1. SCOPE

- 1.1. As part of the Bank's efforts to promote a cooperative work environment and employee participation in the resolution of work-related issues and/or grievances, access to Informal Mediation will be available to employees.
- 1.2. Informal Mediation is voluntary, confidential and non-adversarial mechanism to promote communication between an employee and his/her supervisor and/or Management or between employees, to resolve work-related issues and/or grievances with the help of a neutral, independent and qualified conflict resolution professional.

2. MEDIATION SECRETARY

- 2.1. The President of the Bank will appoint an employee as Mediation Secretary. The Mediation Secretary shall be an independent and impartial professional and shall not hold any other office or perform any other service in the Bank or in the Corporation. The appointment of the Mediation Secretary shall be made keeping in mind potential conflicts of interest so as to preserve the integrity of the Informal and Formal Mediation proceedings.
- 2.2. The Mediation Secretary will have authority to decide all matters related to the administration of the mediation process, as described herein. The Mediation Secretary will be responsible for assisting the parties to prepare for mediation proceedings. The Mediation Secretary will maintain a list of qualified Mediators who have been selected for this purpose for both Headquarters and Country Offices.
- 2.3. The Mediation Secretary shall not have decision-making powers regarding terms for a mediation agreement, but shall have an advisory role and make suggestions and recommendations to the parties, as appropriate, on actions related to the mediation proceedings.

3. ACCESS TO INFORMAL MEDIATION

- 3.1. Any employee in active service and/or representative of Bank Management may jointly or separately submit a request for Informal Mediation for the resolution of a work-related issue and/or grievance that is not already being considered in Formal Mediation.
- 3.2. Informal Mediation can also be suggested to the parties by the Ombudsperson or by a Human Resources Officer, when appropriate.
- 3.3. When Informal Mediation is requested by any party involved in a work-related issue and/or grievance, the Mediation Secretary will conduct an intake session with each of the parties to determine if Informal Mediation is appropriate, and provide information about the Informal Mediation process. In determining the appropriateness of mediation, the Mediation Secretary will take into account if the work-related issue and/or grievance fall(s) under the jurisdiction of another Bank authority. All Bank employees, including supervisors, are expected to collaborate with the Mediation Secretary for the case intake.
- 3.4. If the Mediation Secretary determines that Informal Mediation is appropriate, an independent professional Mediator will be identified.
- 3.5. Mediations may be conducted by a qualified Bank employee or a qualified external mediator. The Mediator will be jointly selected by the parties from a list of mediators kept by the Mediation Secretary to perform such functions. In case there is no agreement between the parties in the

selection of the Mediator, the Mediation Secretary can appoint a Mediator from the list that is different from an of those proposed by the parties.

- 3.6. If the Mediation Secretary determines that Informal Mediation is not appropriate, the employees will be referred by the Mediation Secretary to other Bank resources that may be available to address their concerns.
- 3.7. The parties to a case pending before the Administrative Tribunal may also jointly agree to Informal Mediation and may seek a suspension of the pending case from the Administrative Tribunal. Such suspension, if granted by the Administrative Tribunal, shall cease if either party withdraws from Informal Mediation.

4. INFORMAL MEDIATION PROCEDURE

- 4.1. When Informal Mediation is deemed appropriate, the Mediation Secretary will schedule an initial session for the appointed Mediator with the parties. If agreed, the parties may schedule additional sessions.
- 4.2. The Mediator and the parties will hold their sessions at Bank facilities, Headquarters or Country Office as applicable, unless the Mediator and the parties agree to hold the mediation elsewhere. Any party may participate in a mediation session by means of a video or telephone conference or similar communications technology allowing all persons to participate simultaneously.
- 4.3. A Human Resources Officer will be available to assist the parties and the Mediator during the mediation session(s) to provide advice and guidance on Bank's Staff Rules and other personnel matters.
- 4.4. Both parties may bring documentation they deem relevant for the resolution of the work-related issue and/or grievance and such documentation may be shared with the other parties and/or the Mediator, if permissible under applicable Bank policies. As informality allows the process to be flexible, there will be no formal hearings, exchanges of written briefs or rules of discovery.
- 4.5. The parties may withdraw from the process, if mediation is not possible at any time, by written notice to the Mediation Secretary.
- 4.6. During the mediation session(s), the Mediator will assist the parties in reaching a resolution of the work-related issue and/or grievance. The Mediator will have no authority to impose a settlement and any resolution will need to be mutually accepted by all parties.
- 4.7. The Mediator may hold private sessions with each of the parties.
- 4.8. Informal Mediation will not be subject to the observance of any time frames.

5. TERMINATION OF INFORMAL MEDIATION

- 5.1. The Informal Mediation process will conclude when:
 - 5.1.1. The parties agree the matter is resolved.
 - 5.1.2. If at any time the Mediation Secretary determines that the matter is not appropriate for Informal Mediation and/or refers the employee(s) to another Bank authority with jurisdiction over the matter being presented.
 - 5.1.3. When any of the parties involved elect to withdraw from the process.
- 5.2. The Human Resources General Manager shall authorize any agreements on behalf of the Bank related to employment contracts, terms and conditions of appointment or the Bank's Administrative and Personnel Staff Rules. Written mediation agreements shall be signed, on behalf

of the Bank by authorized signatories under Bank policies, and by the employee(s) requesting mediation.

- 5.3. If either one of the parties considers the terms of any agreement reached are not being implemented, they should return to the Mediation Secretary for assistance.
- 5.4. In cases where Informal Mediation does not result in a resolution of the matter, the employee can elect to pursue any other remedies available within the conflict resolution mechanisms of the Bank.

No mediation agreement in Informal Mediation will serve as a basis for a claim in the formal conflict resolution mechanisms and any employee who wishes to make use of the formal conflict resolution mechanisms must do so in accordance with the corresponding Staff Rules and within the prescribed time frames. Informal Mediation does not qualify for a certificate of conclusion of Formal Mediation for the purposes of providing access to the Bank's Administrative Tribunal, as described in [PE-323-3 paragraph 7.5.2](#); Internal Grievance Review and Formal Mediation must be exhausted before a grievance is admissible by the Bank's Administrative Tribunal.

STAFF RULE PE-323-3, INTERNAL GRIEVANCE REVIEW AND FORMAL MEDIATION²

INTRODUCTION: The purpose of this section of Staff Rule PE-323 is to establish and regulate the framework of the Internal Grievance Review and the Formal Mediation.

1. SCOPE

- 1.1. This Staff Rule describes the following two tiers of the formal conflict resolution mechanisms of the Bank: Internal Grievance Review, conducted as means to resolve grievances by the corresponding line of supervision and the Human Resources Department; and Formal Mediation.
- 1.2. The Internal Grievance Review as established herein will be conducted as means to resolve the grievance at its earliest stages. Only if the Internal Grievance Review does not resolve the grievance, may Formal Mediation proceedings be initiated.

2. JURISDICTION

- 2.1. When a grievance arises, which is also related to an alleged violation of the Bank's Code of Ethics and Professional Conduct or alleged acts of fraud, corruption or other Prohibited Practices, the corresponding Bank authorities will coordinate the appropriate course of action based on their respective jurisdiction. The employee shall be informed of any jurisdictional decision(s) related to his or her grievance.

3. ACCESS

- 3.1. For the purpose of access to the Internal Grievance Review and Formal Mediation within the context of this Staff Rule, the term to initiate the Internal Grievance Review set forth in [paragraphs 4.1](#) to [4.3](#) below shall be the following:
 - 3.1.1. For employees in active service stationed at Headquarters or in any of the Country Offices, within 90 calendar days counted from the notification to the employee of the decision which is being contested;
 - 3.1.2. For former Bank employees, within 120 calendar days from the date on which they terminated their services with the Bank;
 - 3.1.3. For any person who is legally entitled to present a claim upon a right of such current or former employee, if such employee is not physically or mentally capable of presenting the claim directly by himself or herself, within one year from the notification to the employee of the decision which is being contested.

4. INTERNAL GRIEVANCE REVIEW PROCEDURE

- 4.1. Upon written notification of an employment-related decision for which the employee considers to have a claim, the employee can initiate the following Internal Grievance Review:
 - 4.1.1. Within the timeframes established in [paragraph 3.1](#) above, the employee must present the grievance in writing to the immediate supervisor or, in cases in which the employee's immediate supervisor has taken the decision contested by the employee, to the supervisor

² Formal Mediation as described herein replaces the former Conciliation Committee.

immediately above the employee's supervisor (next-in-line supervisor). The supervisor or next-in-line supervisor shall review and address the grievance of the employee within ten calendar days from the date presented for review by the employee.

- 4.1.2. If the grievance has not been resolved by the supervisor or next-in-line supervisor to the satisfaction of the employee, or if the employee has not received written answer within the timeframe established in [paragraph 4.1.1.](#) above, the employee may request in writing a review of the grievance by the Human Resources General Manager. The Human Resources General Manager shall review and address the grievance within 20 calendar days of its receipt. The Human Resources General Manager may in exceptional circumstances extend the review period and response to the employee for an additional ten calendar days, when business needs and the complexity of the case require such extension to better address the grievance. Prior to the 20th calendar day of receipt of the grievance, the Human Resources General Manager will notify the employee if an extension is needed.
- 4.2. If the grievance has not been resolved by the Human Resources General Manager to the satisfaction of the employee, or if the employee has not received a written answer within the timeframe established in [paragraph 4.1.2.](#) above, the Internal Grievance Review will be considered exhausted and the employee may present the grievance to Formal Mediation.
- 4.3. No later than 120 calendar days counted from the day when the claim was first presented to the immediate supervisor or next-in-line supervisor (as contemplated in [paragraph 4.1.1](#) above), the employee may choose to initiate Formal Mediation. Nevertheless, upon the written agreement between management and the employee, such period may be extended in the best interest of an acceptable resolution of the claim. Such agreement shall be formalized before the expiration of the above-mentioned 120 calendar day term and shall specify the newly agreed expiration date.

Click to see [PE-323-3 Annex 1, Internal Grievance Review Flowchart.](#)

5. FORMAL MEDIATION

- 5.1. The main objective of Formal Mediation is to have an independent neutral third party facilitate communication between management and the employee to voluntarily reach an informed and mutually-acceptable resolution of grievances. The Formal Mediation must take place prior to presenting grievances to the Bank's Administrative Tribunal.

6. MEDIATION SECRETARY

- 6.1. The President of the Bank will appoint an employee as Mediation Secretary. The Mediation Secretary shall be an independent and impartial professional and shall not hold any other office or perform any other service in the Bank or in the Corporation. The appointment of the Mediation Secretary shall be made keeping in mind potential conflicts of interest so as to preserve the integrity of the Informal and Formal Mediation proceedings.
- 6.2. The Mediation Secretary will have authority to decide all matters related to the administration of the mediation process, as described herein. The Mediation Secretary will be responsible for assisting the parties to prepare for mediation proceedings. The Mediation Secretary will maintain a list of qualified Mediators who have been selected for this purpose for both Headquarters and Country Offices. The Mediation Secretary will be responsible for preparing documents related to the formal mediation proceedings and will maintain records as appropriate.
- 6.3. The Mediation Secretary shall not have decision-making powers regarding terms for a mediation agreement, but shall have an advisory role and make suggestions and recommendations to the parties, as appropriate, on actions related to the mediation proceedings.

7. FORMAL MEDIATION PROCEDURE

7.1. Request for Formal Mediation

- 7.1.1. The Internal Grievance Review mechanism set forth in [paragraphs 4.1 to 4.3](#) above must be exhausted by the employee, prior to presenting a Request for Formal Mediation to the Mediation Secretary. Request for Formal Mediation shall be presented no later than 120 calendar days from the initiation of the Internal Grievance Review or before any agreed extension thereof has expired, as established in [paragraph 4.3](#) above. The filing of the Request for Formal Mediation automatically suspends the 120 calendar day time limit. A Request for Formal Mediation presented after the expiration of such time limits will be inadmissible.
- 7.1.2. A Request for Formal Mediation will be presented in writing to the Mediation Secretary including a brief statement of the nature of the complaint and the remedy requested. Requests for Mediation can be presented in any of the four official languages of the Bank. Considering that a mediation process is not an evidentiary-based process and does not require the accumulation of a full record of proceedings, the Request for Formal Mediation will not be subject to technical formalities or itemized evidence to support arguments.
- 7.1.3. Upon the receipt of the Request for Formal Mediation, the Mediation Secretary will review it and determine whether the Request contains all the relevant information, or whether it is necessary to clarify and expand. The Mediation Secretary will also determine whether there is jurisdiction over the grievance in accordance with this Staff Rule and shall, as appropriate:
 - 7.1.3.1. Inform the employee of the acceptance of the Request for Formal Mediation;
 - 7.1.3.2. Refer the employee to the appropriate Bank authority with jurisdiction over the matter being presented;
 - 7.1.3.3. Inform the employee that the Internal Grievance Review has not been exhausted, if that is the case;
 - 7.1.3.4. Reject the Request for Formal Mediation if such request has not been presented in a timely fashion, as established in [paragraph 4.3](#) above; and/or
 - 7.1.3.5. Reject the Request for Formal Mediation if the matter is not appropriate for mediation.
- 7.1.4. The Mediation Secretary will communicate the decision to the employee within ten calendar days from the receipt of the Request for Formal Mediation. The Mediation Secretary may extend the period to determine jurisdiction and acceptance of the Request for Mediation for an additional five calendar days, when the complexity of the case requires such extension to better address the grievance in coordination with other Bank authorities, as provided in [paragraph 2.1](#) above.
- 7.1.5. Once the Request for Formal Mediation has been accepted, the Mediation Secretary will contact the General Manager of the Human Resources Department, who will name management's representative(s) to the mediation. Such representative(s) may include, but are not limited to, a Human Resources Officer and the employee's supervisor. Management representative(s) will receive a copy of the employee's Request for Formal Mediation upon notification of their designation to the Mediation Secretary and shall attend the mediation sessions with the employee.

7.2. Appointment of the Mediator

- 7.2.1. The Mediation Secretary will maintain a list of pre- qualified Mediators available to participate in the mediation process, in both Headquarters and Country Offices.
- 7.2.2. For each Formal Mediation, the Mediation Secretary will identify available Mediators from the list and will provide the parties with their corresponding profiles. The parties will have five calendar days to present their choice among the proposed candidates to the Mediation Secretary. In case the parties select different Mediators, the Mediation Secretary will discuss the selections with the parties and try to help them reach an agreement within three calendar days. If the parties still do not agree to the appointment of a Mediator, the Mediation Secretary will appoint a Mediator out of the list initially proposed, excluding Mediators that the parties have previously rejected.
- 7.2.3. The Mediator's terms of reference shall be prepared by the Mediation Secretary and shall form part of the contract of services.
- 7.2.4. Upon designation to a Formal Mediation, the Mediator will schedule a date for the initial mediation session to take place, as soon as is practicable.

7.3. The Formal Mediation Sessions

- 7.3.1. The Mediator and the parties will hold their sessions at Bank facilities, Headquarters or a Country Office as applicable, unless the Mediator and the parties agree to hold the mediation elsewhere. Any party may participate in a mediation session by means of a video or telephone conference or similar communications technology allowing all persons to participate simultaneously.
- 7.3.2. Management representative(s), will be present at the mediation session(s). The employee may be accompanied in the mediation session by an attorney, in which case the employee shall inform the Mediation Secretary at least five calendar days before the initial mediation session, who in turn will immediately inform the supervisor and/or representative of Bank's management. In such case management representatives may be accompanied by an attorney designated by the Legal Department.
- 7.3.3. Both parties may bring documentation they deem relevant for the resolution of the grievance and such documentation may be shared with the other parties and/or the Mediator, if permissible under applicable Bank policies. As informality allows the process to be flexible, there will be no formal hearings, exchanges of written briefs or rules of discovery.
- 7.3.4. During the mediation session, the Mediator will assist both the employee and management in reaching a resolution of the grievance. The Mediator will have no authority to impose an agreement and any resolution will need to be mutually accepted by both parties. Neither party may raise grievances that were not identified in the Request for Formal Mediation.
- 7.3.5. The Mediator may hold private sessions with each of the parties separately.
- 7.3.6. The mediation may include as many mediation sessions as the parties and the Mediator deem necessary to attempt to resolve the grievance. The parties are expected to collaborate with the Mediator and attend the initial mediation session, after which either party may inform the Mediator if they believe the matter cannot be resolved through mediation. The Mediator shall determine if, at that point, it would be appropriate to terminate the mediation process.

7.4. Suspension of the contested decision

- 7.4.1. The acceptance of a Request for Mediation shall not have the automatic effect of suspending the execution of any decision contested, except as otherwise provided under

[paragraph 7.4.2](#) below. At the request of the employee, transmitted through the Mediation Secretary, Management may suspend the effects of the decision. Management will make reasonable efforts to implement the requested suspension, unless it is deemed that doing so would be detrimental to the Bank, or the mediation efforts.

- 7.4.2. In cases of termination of employment, upon acceptance of a Request for Formal Mediation and if requested by the employee, the Administration will suspend the decision. In such instance of suspension, the employee may be placed on status of special leave with pay during the mediation process. Any suspension under this [paragraph 7.4.2](#) shall be effective until the termination of the Formal Mediation process, as contemplated in [paragraph 7.5.1](#) below.

7.5. Termination of the Formal Mediation process

- 7.5.1. The Formal Mediation process will conclude when:

- 7.5.1.1. An agreement has been reached. In this case, the Mediator may draft a written mediation agreement. Before a mediation agreement is signed, the management representative(s) must seek approval on behalf of the Bank. Mediation agreements shall be signed, on behalf of the Bank by authorized signatories under Bank policies, and the employee requesting mediation;
 - 7.5.1.2. The Mediation Secretary determines that the grievance is not appropriate for mediation;
 - 7.5.1.3. When any of the parties involved elect to withdraw from the process, and the Mediator agrees; and/or
 - 7.5.1.4. If after 45 calendar days from the initial session of formal mediation, the parties are unable to reach an agreement, or if the Mediator determines that an agreement is not reachable within a reasonable time.
- 7.5.2. When the mediation process concludes according to paragraphs [7.5.1.2](#), [7.5.1.3](#), or [7.5.1.4](#), the Mediation Secretary will certify the conclusion of the Formal Mediation efforts. With the issuance of this certification, it is understood that all remedies for the resolution of the employee's grievance have been exhausted.
- 7.5.3. Within 90 calendar days from the issuance of the certification of the conclusion of the Formal Mediation process by the Mediation Secretary, the employee may apply to the Bank's Administrative Tribunal, in accordance with the procedures which govern the Tribunal, and only for those grievances that were presented as part of the Request for Formal Mediation.

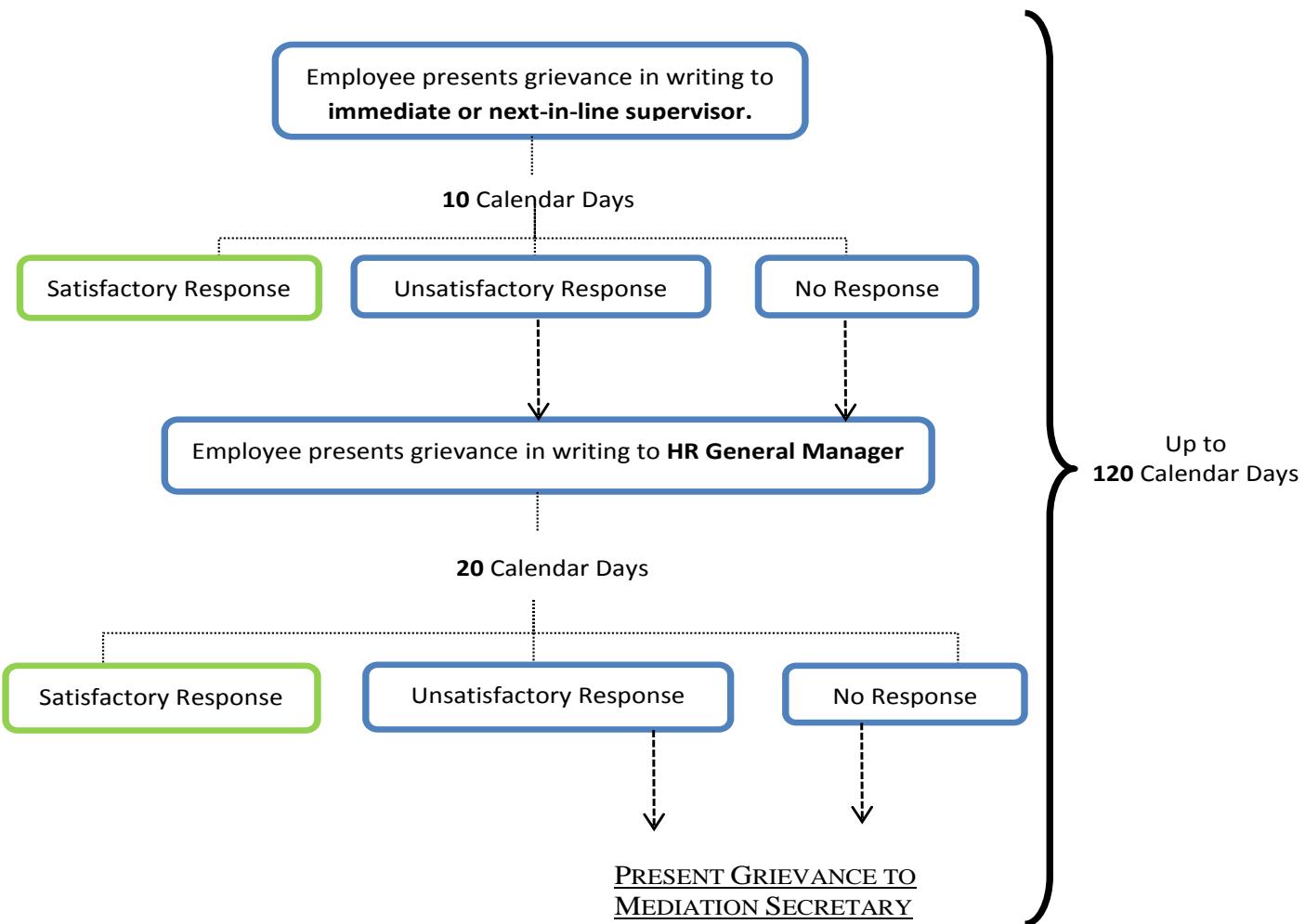
7.6. Formal Mediation Agreement

- 7.6.1. If either one of the parties considers the terms of the Formal Mediation agreement are not being observed, they should return to the Mediation Secretary for assistance within 30 calendar days from the day when the party first had knowledge of the alleged non-compliance.
- 7.6.2. The Mediation Secretary will determine whether a mediation session is appropriate and will notify the parties accordingly.
- 7.6.3. When mediation is not deemed appropriate, the Mediation Secretary will issue a certificate of conclusion of the mediation process and the parties may apply to the Bank's Administrative Tribunal, as established in [paragraph 7.5.3](#) above.
- 7.6.4. If the parties are unable to resolve their differences regarding the non-compliance of the mediation agreement within 30 calendar days of the mediation session established in

[paragraph 7.6.2](#) above, the Mediation Secretary will issue a certificate of conclusion of the mediation process and the employee may apply to the Bank's Administrative Tribunal, for any claim regarding the Bank's non-compliance, as established in [paragraph 7.5.3](#) above.

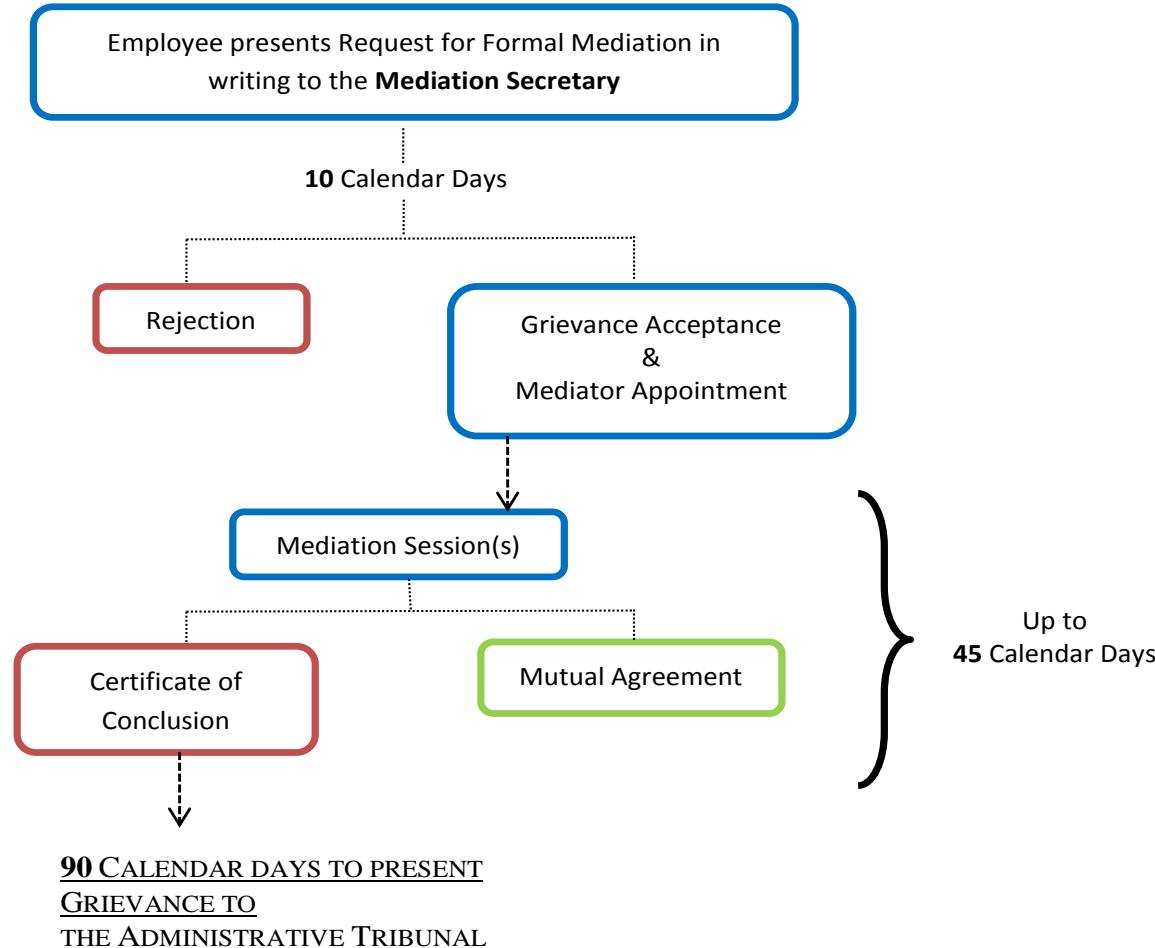
Click to see [PE-323-3 Annex 2, Formal Mediation Flowchart.](#)

PE-323-3 Annex 1, INTERNAL GRIEVANCE REVIEW FLOWCHART³



³ The Flowchart in this Annex does not include the informal conflict resolution mechanisms, which are not subject to the observance of any formal time frames.

PE-323-3 Annex 2, FORMAL MEDIATION FLOWCHART⁴



⁴ The Flowchart in this Annex does not include the informal conflict resolution mechanisms, which are not subject to the observance of any formal time frames.