

CAO Update

Issue 11 / April 2018



Did you know? The Office of the Compliance Advisor Ombudsman (CAO) is the independent accountability mechanism for the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA), members of the World Bank Group. CAO addresses grievances from people impacted by IFC and MIGA projects with the goal of improving environmental and social outcomes on the ground. For more information, see www.cao-ombudsman.org.

DISPUTE RESOLUTION IN UGANDA

Land Compensation Agreement Implemented Related to Palm Oil Operations

CAO has concluded a dispute resolution process in Uganda between a small farmers association and Bidco Africa, a consumer goods company and IFC client. CAO closed the case after ascertaining that the land compensation agreement had been implemented. The dispute resolution process was convened to address a complaint sent to CAO in January 2017 by the National Association of Professional Environmentalists (NAPE) on behalf of 38 farmers living near palm oil plantations in Kalangala, near Lake Victoria. The plantations are operated by Bidco Africa's Ugandan subsidiary, Oil Palm Uganda Ltd (OPUL). The complaint raised concerns regarding the impacts of deforestation, environmental damage, lack of compensation for lost land, reduced



Parties discuss ways to work together to create economic initiatives in Kalangala, Uganda, December 2017.

agricultural production, and loss of livelihoods for affected farmers. The parties—including the complainants, several Bidco companies, a local landlord, and the government of Uganda—all agreed to engage in a voluntary CAO dispute resolution process to address the complaint.

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Online Communications Survey

Readers Provide Practical Feedback on CAO's Communications

We are grateful to 160 readers who completed CAO's online Communications Survey. It has provided valuable feedback and practical guidance on CAO's communications efforts going forward.

We learned that 25 percent of respondents have been following CAO's work for less than a year and 60 percent for less than five years—a sign that our network continues to grow. Over 90 percent of respondents reported a preference for continuing to receive CAO information via email, which was not unexpected, but it does present us with a challenge to improve CAO's website and social media channels. We are in the process of revamping CAO's website and the specific feedback we received on its functionality, particularly

the overwhelming interest on our case pages, will help with the redesign process.

We were pleased to note almost 75 percent of readers find the quantity of information in our newsletter to be just right, and that almost 90 percent fully or partially read it. Even more importantly, over 80 percent of respondents told us that CAO's information is balanced, complete, and factual, an opinion we value considering the challenging nature of our work. Finally, we appreciate the many general comments and recommendations made on how we can improve our communications efforts and these will be carefully considered. Please visit our [website](#) to see the full survey results.

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DISPUTE RESOLUTION IN UGANDA

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The complainants decided to focus the dispute resolution process only on the issue of land compensation and not the other issues included in the complaint to CAO. After several joint meetings, the parties reached agreement in August 2017 that the farmers would be compensated for expropriated land and/or offered land title. The agreement was fully implemented by December 2017. However, eight complainants noted their dissatisfaction with the compensation value offered and consequently reserved their right to pursue legal action.

After debriefing the parties and soliciting feedback, CAO issued a conclusion report in January 2018, summarizing agreements reached, outcomes achieved, and lessons learned. Among the lessons identified by the parties was the capacity building training provided by CAO, which they said enabled them to negotiate effectively, reach a settlement, and improve trust. The conclusion report and more information about the case are available on CAO's [website](#).

COMPLIANCE CASE UPDATE

CAO Conducts Field Visit Related to Reventazón Hydropower Project in Costa Rica

CAO conducted a field visit to Costa Rica in February 2018 as part of its investigation of IFC's investment in the Reventazón hydropower project in the province of Limón. The project is being implemented by the *Instituto Costarricense de Electricidad* (ICE) and involves the construction of a 305 MW hydropower dam. CAO staff travelled to the project area and held discussions with local complainants and representatives of ICE.

The investigation was triggered by complaints to CAO from two local landowners who raise concerns regarding the project's land acquisition process, landslide risks, and potential impacts on biodiversity and greenhouse gas emissions. CAO's investigation is focusing on the issues related to land acquisition and livelihood restoration. It will



The Reventazón hydropower project, Costa Rica, November 2016.

consider whether the project's approach to land acquisition was consistent with Performance Standards requirements for provision of compensation and other benefits to displaced persons. CAO will also consider whether affected landholders had access to an impartial recourse mechanism to resolve resettlement-related disputes. More information about the case is available on CAO's [website](#).

COMPLIANCE CASE UPDATE

CAO Releases Investigation Report Related to IFC's Vizhinjam Port Project in India

In January 2018, CAO released an investigation report related to IFC's Advisory Services project with Vizhinjam International Seaport Limited (VISL), a multi-purpose seaport in Kerala, India. The investigation considered issues raised in three complaints filed with CAO by coastal communities living near the seaport. The complaints raised concerns about the environmental and social impacts of the port and its associated infrastructure, particularly impacts on people's livelihoods derived from tourism and fishing. The complaints also raised concerns regarding the impacts that construction of road and rail links to the port will have on farmland.

IFC did not finance construction of the port, but served as transaction advisor for the project, which included the preparation of an environmental and social impact

assessment (ESIA). While the investigation found that IFC prepared a partial ESIA for the project that was in some respects consistent with the Performance Standards, CAO made two broad non-compliance findings related to IFC's involvement. Firstly, IFC took on the role of lead transaction advisor without a reasonable assurance of the client's commitment to develop the project in accordance IFC's Performance Standards; and second, IFC's ESIA was not fully consistent with the Performance Standards, particularly in relation to land acquisition and project impacts on livelihoods. CAO is now monitoring actions taken by IFC to address the investigation findings and will issue a monitoring report within a year. The investigation report, and information about the complaints, is available on CAO's [website](#).

CAO Holds Workshop on Grievance Mechanism Toolkit for MIGA Specialists

CAO's Advisory team conducted a grievance mechanism workshop for MIGA environmental and social specialists in January 2018. The presentation discussed CAO's interactive [Grievance Mechanism Toolkit](#) and highlighted useful tools for specialists as they assess and advise on how to establish, implement, and monitor project-level grievance mechanisms. CAO shared lessons from its experience with local grievance mechanisms, and provided insights on what factors lead to effective and well-functioning mechanisms. MIGA specialists provided important feedback on the toolkit, and the discussion provided a positive platform to discuss effective methods of improving grievance mechanism implementation and performance. CAO's Grievance Mechanism Toolkit is available in English, French and Spanish at www.cao-grm.org.

CAO Participates in Regional UN Business and Human Rights Consultation in Chile

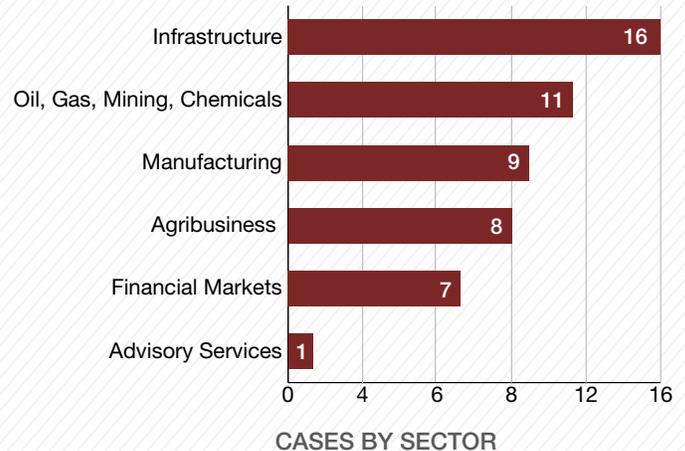
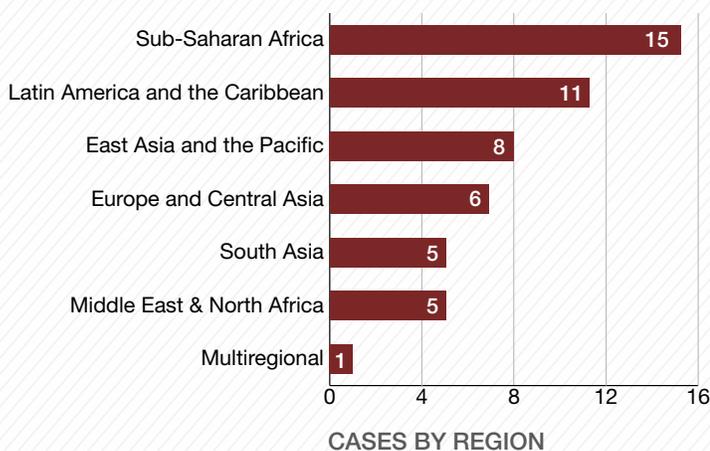
CAO was invited to speak at the third regional consultation for Latin America and the Caribbean on the implementation of the UN Guiding Principles on Business and Human rights. The consultation was held in Santiago, Chile on December 12, 2017 and included representatives from government, civil society, indigenous people's groups, corporations, international organizations, and academia. The consultation focused on the implementation of the three pillars of the guiding principles: state duty to protect; corporate responsibility to respect; and access to remedy. CAO contributed to the discussion on access to remedy, highlighting its experience related to project-level grievance mechanisms and sharing highlights from [CAO's Grievance Mechanism Toolkit](#). CAO's casework and research underline the need for multiple avenues and opportunities to be made available to project-affected communities so they can benefit from effective remedy across multiple platforms.



CAO CASE TRACKER

Status as of March 31, 2018 (Q3)

For more information about CAO cases, see www.cao-ombudsman.org/cases



During Q3, CAO received 4 new complaints of which 3 were found eligible. CAO closed 4 cases this quarter.

CAO Launches Initiative to Engage Civil Society in the Africa Region

CAO has initiated a year-long initiative to reach out to civil society organizations (CSOs) in the Africa region. The goal of the outreach is to raise awareness about CAO's mandate and how the office works with local communities to address environmental and social grievances related to IFC and MIGA projects. Activities include ongoing information-sharing, video conferences, and outreach meetings. Recent events included hosting an outreach meeting in South Africa and organizing video conferences with CSOs in Ghana and Senegal.

On February 6, 2018, CAO co-hosted an **outreach event** with the African Coalition for Corporate Accountability (ACCA) for civil society at the Alternative Mining Indaba in Cape Town. Civil society representatives from Botswana, Chad, Democratic Republic of Congo, Cote D'Ivoire, Nigeria, and South Africa participated in the event. The outreach was an opportunity for CAO to hold a dialogue about access to recourse around development projects in the region and elaborate on its dispute resolution, compliance, and advisory work. During the session, civil society participants also shared their own experiences of accessing CAO, engaging with mining companies, and ensuring that communities achieve effective redress.

CAO held video conferences with civil society organizations in Ghana and Senegal in December 2017 and February 2018, respectively. Both events included civil society



Civil society participants during the Senegal video conference, Dakar, Senegal, March 2018 (Photo: Aly Sagne).

participation from a variety of organizations, including environmental and social advocates, labor unions, and national groups focused on health, gender, anti-corruption, and disability rights. The **Ghana** event was organized in collaboration with the West African Civil Society Institute (WACSI) and SEND, while in **Senegal**, CAO partnered with Lumiere Synergie Développement (LSD) and LEAD Afrique Francophone. For both events, CAO also had the support of IFC local country offices to host the meetings, and in Senegal, IFC staff also provided CSO participants a briefing on IFC's environmental and social standards.

CAO Facilitates IFC-World Bank Multistakeholder Dialogue at the African Mining Indaba

CAO was invited to facilitate a multistakeholder dialogue during the African Mining Indaba co-hosted by the International Council on Mining and Metals (ICMM), Natural Resources Governance Institute (NRGI), IFC and the World Bank. The session, "Your Voice, Your View: Transparency to enhance impacts in the Natural Resource

Sector" took place on February 5th involving invited participants from the private sector, civil society and government. The dialogue resulted in joint identification of challenges in moving from data generation to concrete development impacts, as well as potential tools to address those challenges.

FOR MORE INFORMATION

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