



Office of the Compliance Advisor Ombudsman (CAO)

Annual Report 2020

2020



Welcome

The Office of the Compliance Advisor Ombudsman (CAO) is the independent accountability mechanism for the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA), members of the World Bank Group. CAO's mandate is to address complaints from people affected by IFC and MIGA projects and to enhance environmental and social project outcomes.

Learn more at www.cao-ombudsman.org.



CAO Vice President, Osvaldo L. Gratacós and Senior Dispute Resolution Specialist, Scott Adams, meet with herders in Mongolia (CAO).

Index

A Year in Review	04
Introduction	06
External Review	08
Caseload Snapshot, FY2020	09
Concerns of Threats & Reprisals	14
Understanding the Issues	16
Finding Solutions through Dialogue	20
Enhancing Environmental & Social Performance	26
Effecting Change through Learning	34
Improving Access & Impact	38
Funding	44
Looking Forward	48

A Year in Review

Solutions, Accountability & Learning

With work in 33 countries this year, we assessed our first complaint from Liberia, reached substantial new settlements in Nicaragua, Ukraine and Uzbekistan, and concluded our work on the Phnom Pehn International Airport, Chad-Cameroon Pipeline, and Oyu Tolgoi mine after monitoring dispute resolution outcomes. We completed three compliance investigations regarding IFC financial intermediary, hydropower, and mining projects in Latin America and released new good practice guidance on Joint Fact-Finding and gender-inclusive dispute resolution. Meanwhile, our advisory work is reviewing CAO's impact over 20 years of operations, which will be published in 2021.

The COVID-19 pandemic has brought unprecedented challenges to communities around the world and travel restrictions have



Miners at the Oyu Tolgoi mine in Mongolia (Stephan Bachenheimer/CAO)

limited our ability to conduct routine casework. We have innovated our approach where possible to allow work to continue, guided by the parties. The fiscal year culminated with the completion of the External Review of IFC and MIGA's Accountability Framework including CAO's Role and Effectiveness, initiated by the Board in 2019. CAO will be working closely with IFC, MIGA and the Board in the year ahead to address the review recommendations, including consulting with stakeholders about the reforms (see p. 8).



Community members meet with CAO during the assessment of a complaint related to the Sangaredi mine in Guinea, 2020 (CAO)

Our Mission

CAO's mission is to serve as a fair, trusted, and effective independent accountability mechanism and to improve the environmental and social performance of IFC and MIGA, members of the World Bank Group.

Introduction

This has been a challenging year, but a full and productive one. The pandemic has affected CAO's work in different ways—limiting our ability to engage stakeholders in person in handling sensitive complaints. CAO has deployed virtual tools where feasible, including online mediation. However, some casework is on hold, such as field visits usually conducted for compliance investigations.

CAO Vice President, Osvaldo L. Gratacós with members of the local CAO team in Mongolia (CAO)



Despite these limitations, CAO has kept complex dispute resolution processes going and over the course of the year brought several long-term cases to closure in Cambodia, Cameroon, Chad, and Mongolia. We issued three new compliance investigations regarding cases in Costa Rica, Guatemala, and Peru, and closed three investigations related to projects in Albania, India, and Malaysia after monitoring.

Our Advisory work continues to grow, with inputs to IFC this year related to fragility, conflict, and violence, as well as ongoing collaboration with IFC in relation to remedy and retaliation guidance. We continue to promote CAO's toolkit on effective project-level grievance mechanisms, which has had good uptake in both the private and public sectors.

While COVID led us to postpone our 20th year anniversary celebrations, we have continued to conduct outreach through a virtual model, collaborating with partners in Latin America.

Cases raising concerns about threats to and reprisals against complainants have been rising since we began collecting data in 2018. This year, 44 percent of our cases included such concerns. While this is a significant challenge, CAO's [reprisals approach](#) has, so far, proven to be an effective tool for guiding CAO staff, and has, on occasion, led to good cooperation between CAO and IFC.

This year has particular resonance for me

as I near the end of my term as CAO Vice President and reflect on CAO's trajectory. Having the honor of serving communities all over the world and this institution has been a privilege that I will cherish for the rest of my life. My commitment to independence, passion for accountability, and belief in fairness and equity have guided me during these years at the helm of the CAO. While at CAO, I hope I have been able to foster productive conversations, enhance institutional accountability, and ensure community access to CAO.

Over the past year, CAO has participated in a Board-led [External Review](#) of the environmental and social (E&S) accountability framework of IFC and MIGA. This effort could lead to an enhanced framework that takes CAO's work more seriously, leading to action, and redress for communities that access the CAO. IFC's recent internal reorganization of its E&S department to create two units, one reporting directly to IFC's CEO, aims to fill systemic E&S accountability gaps, while proactively identifying E&S impacts for IFC to address. IFC has enacted important advances in the way it manages and reacts to some project-related E&S risks, including requirements to engage clients to address documented E&S impacts before IFC exits from a project.

Over the years, CAO has been in the forefront of accountability for the international financial institutions. I joined CAO in 2014. Since then, largely in response to CAO's work, IFC has significantly enhanced its E&S practices in financial intermediary (FI) investment and supervision while diminishing its

exposure to high-risk FI investments, and they have committed to disclose aggregate FI information and project information of FI clients with their consent. IFC has devised and enacted guidance in the use and supervision of security forces in IFC projects; guidance on the risk of reprisals in projects; and enhanced procedures in analyzing labor issues in projects. IFC's CEO in 2019 publicly committed to increase institutional accountability by proactively engaging in complaints it receives regardless of whether CAO has received a complaint, and has publicly committed to reduce IFC's direct and indirect exposure to coal.

CAO continues to be a leader in community-company dispute resolution, reaching full or partial settlements in over 70 percent of dispute resolution cases in recent years. In addition to these accomplishments, we have issued three good practice volumes in our "[Reflections from Practice](#)" series capturing insights and learning from CAO dispute resolution cases. This year, we also issued an important [Guidance Note on Gender-Inclusive Dispute Resolution](#).

CAO's Advisory function has also issued important publications, including a [Grievance Mechanism Toolkit](#) and practical guidance to staff and consultants on how to handle concerns of threats and reprisals in our operations. We have also issued lessons from CAO cases on [land](#) and on the business opportunities and risks in [supply chains](#).

CAO has continued to evolve in response to challenges in our casework and feedback from all our stakeholders. The ethos of CAO is to reflect on how

we are doing, what we can improve, and whether we can deliver better project outcomes for communities seeking redress, while enhancing the environmental and social performance and development impact of IFC/MIGA and their clients. Solutions, accountability, and learning sum up this mandate.

Over my time as VP, the most grounding moments have been in the field. Hearing about development from the perspective of the communities and coming to understand the challenges they face is difficult and humbling. Together with the CAO staff, I have endeavored to bring these perspectives back into conversations in Washington to keep the focus of our work on those communities and help ensure that their voices are put on an equal footing in our discussions here. I hope that we can keep communities at the forefront of our deliberations as we move forward to strengthen the accountability framework at IFC and MIGA, including CAO, and recall why these mechanisms filled an essential gap when they were set up by the World Bank Group over 20 years ago.



Osvaldo L. Gratacós
Vice President
October 2020

External Review



Recommendations from the External Review will guide reforms to strengthen IFC's and MIGA's accountability framework, including CAO's role and effectiveness.

This year, a major [independent review](#) of IFC's and MIGA's environmental and social accountability framework, including CAO's role and effectiveness, was completed. The Review presents an opportunity to strengthen accountability in a way that supports IFC and MIGA's development goals while ensuring that communities are at the heart of the process.

The Review was conducted by a high-level group of independent experts, led by Peter Woicke, the former Executive Vice President of IFC, and their final report was submitted to the IFC and MIGA Boards in June 2020. Implementation of the review recommendations will be a focus for the Board, IFC, MIGA, and CAO in the coming year.

The Review includes important recommendations related to the work of CAO, IFC and MIGA. It endorsed the current structure and functions of CAO while recommending a shift in CAO's reporting line to the Board as a way of strengthening IFC's and MIGA's accountability. Considering good practice among international accountability mechanisms and other similar complaint handling functions, the review recommends that the Board have general oversight of the CAO, including on budget matters and the appointment of the CAO Vice President, while recommending that CAO continue to make case

handling decisions itself to ensure independence.

The Review also recommends that CAO reduce case handling times and that the office functions are properly resourced.

The Review includes recommendations to strengthen access to CAO by requiring disclosure of the existence of the office by IFC, MIGA and their clients to project-affected people. It also includes an important focus on remedy, noting that affected people who bring complaints to CAO often do not achieve remedy, even when their complaints are found to be substantiated. Drawing on the approach outlined by the Dutch Banking Sector Agreement Working Group on Enabling Remediation, the Review recommends that the "contribute to harm, contribute to remedy" principal is considered along with contingent funding requirements to ensure that remedying E&S impacts under the Performance Standards are enforceable.

In moving from recommendations to reform in the coming year, a Working Group co-chaired by CAO and management has been established to work on the development of a new CAO policy following a process that will include consultation with internal and external stakeholders.

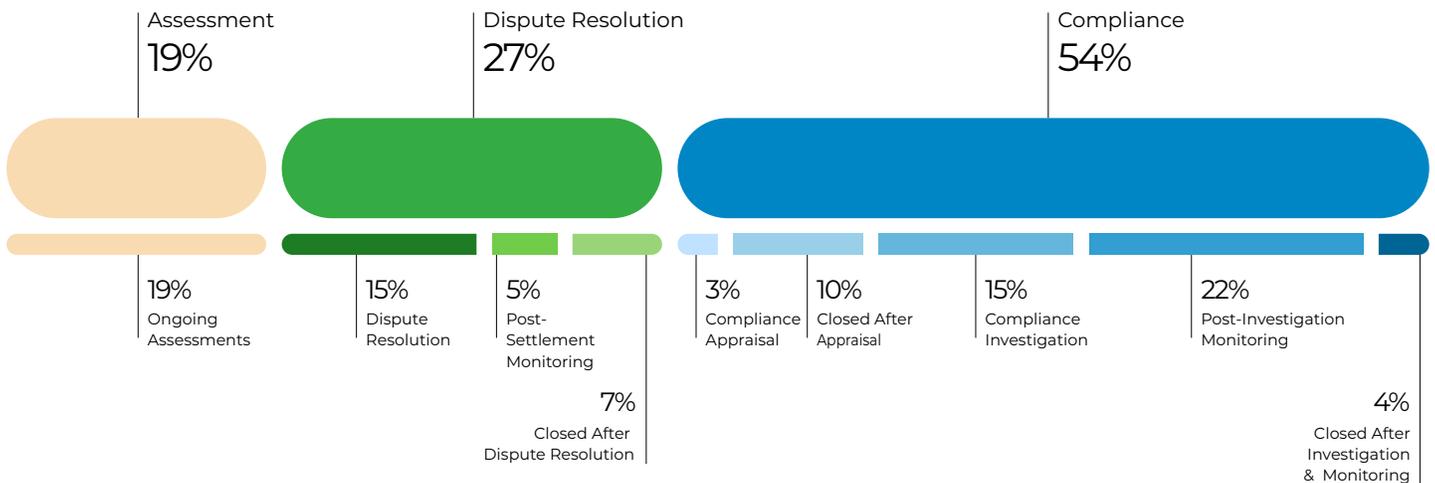
Caseload Snapshot, FY2020

Our caseload in FY2020 comprised 59 cases in 33 countries, including 8 new complaints we found eligible during the year. These cases are in the various stages of assessment, dispute resolution, and compliance processes. Our work has been impacted by the COVID-19 pandemic of course, but we have striven to be flexible and responsive, and make necessary adjustments in consultation with our stakeholders. We are handling many complex cases, some of which involve large-scale projects, diverse community groups, multiple stakeholders, and remote or conflict-affected locations. Despite these challenges, we have continued to work hard to enhance our responsiveness to complainants, develop local mediation capacity, deliver timely reports, and contribute to effective outcomes for communities and IFC/MIGA clients within the constraints of our resources and team.

Explore Our Data

Case Status, End of FY2020

Just over half of our cases are in ongoing assessment (19 percent), dispute resolution (15 percent), and compliance processes (18 percent). A total of 27 percent of cases are in monitoring, following settlement through dispute resolution or completion of compliance investigations. During the year, we also brought a total of 21 percent of cases to a close, including several landmark cases in Cambodia, Cameroon, Chad, and Mongolia.

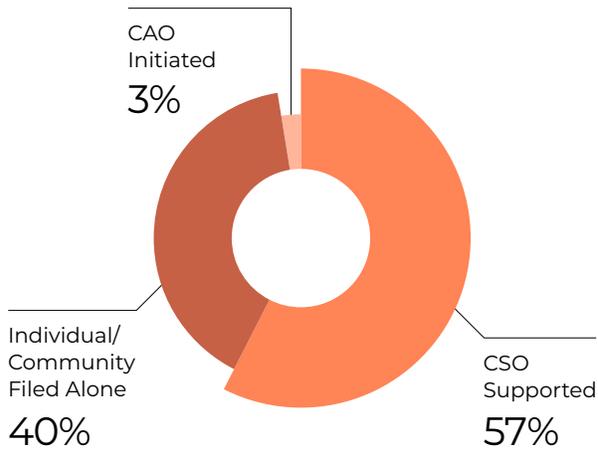


New Complaints

We accepted 8 new complaints this year, including CAO's first complaint from Haiti, regarding manufacturing operations in a Special Economic Zone, and CAO's first complaints from the Middle East since 2001, regarding wind and solar power developments in Jordan. These new cases raise concerns about land, livelihoods, employment, and health and safety, among other issues.



- ✕ 9 Ineligible Complaints
- ✓ 8 Eligible Complaints

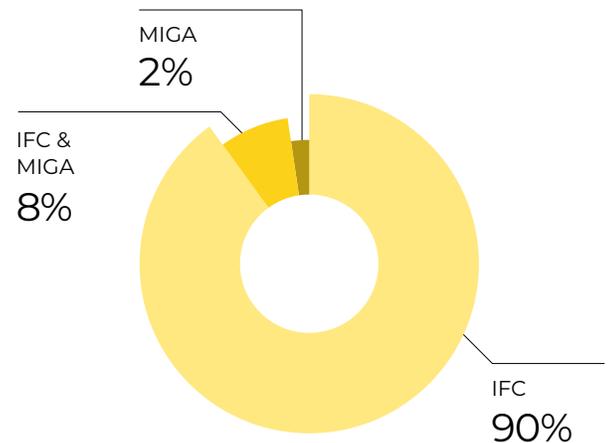


Complainant Profile

A significant share of CAO's current caseload — 40 percent — are complaints filed by community members without the assistance of a civil society organization (CSO). Local, national, and international CSOs supported the complainants in the remainder (57 percent). While communities are accessing CAO's services, raising awareness, understanding, and trust about CAO remain a challenge.

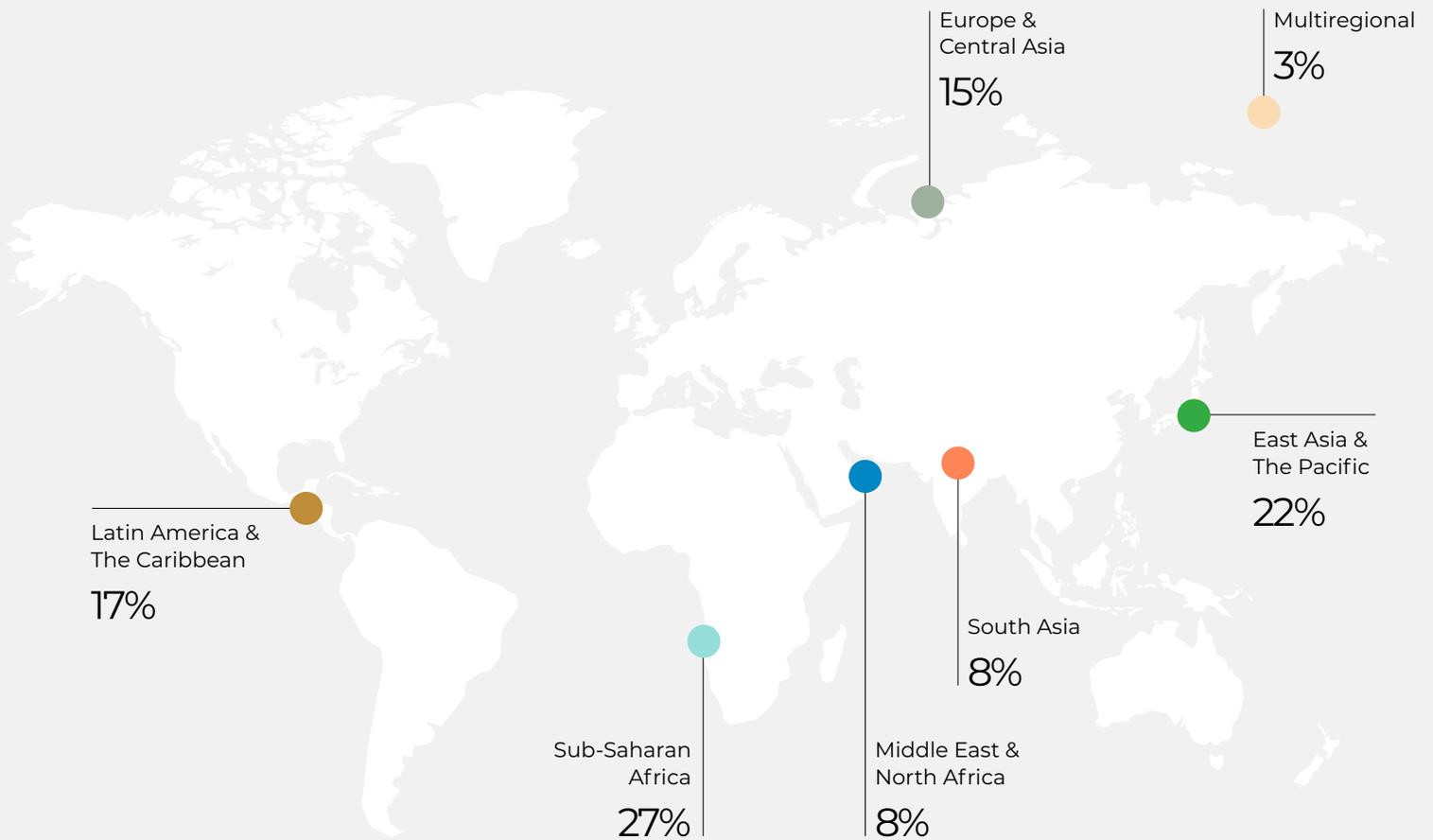
Cases by Institution

Most CAO cases relate to IFC projects, with 8 percent relating to joint IFC/MIGA projects, including the Oyu Tolgoi mine in Mongolia, AGL hydropower projects in Georgia, and the Bujagali hydropower plant in Uganda—all subject to complaints at the accountability mechanisms of other development finance institutions.



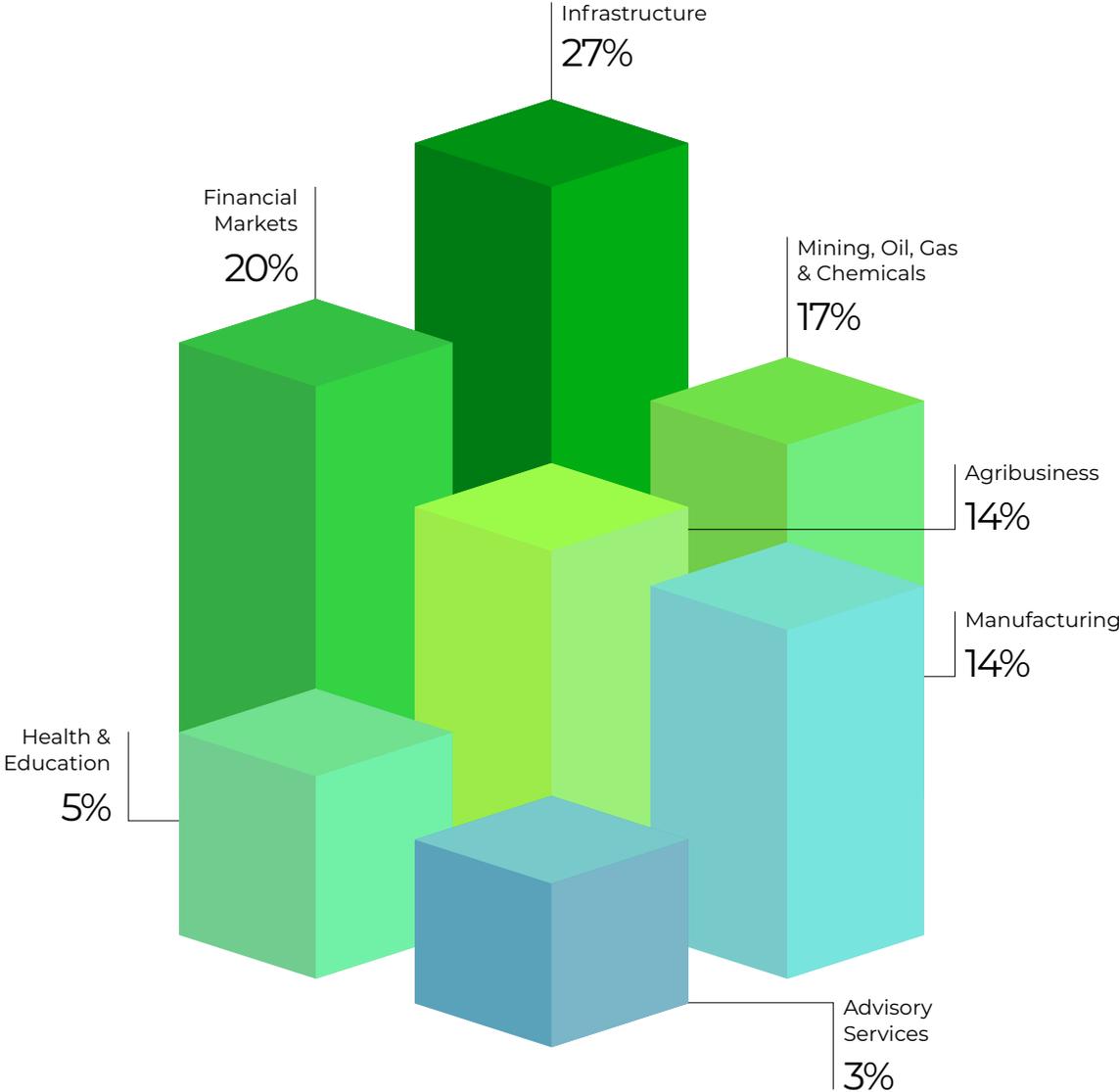
Cases by Region

Cases from Sub-Saharan Africa currently comprise the largest share of CAO's caseload (27 percent), followed by East Asia (22 percent). The share of cases from Latin America dropped to 17 percent this year, following the closure of several cases in the region. One multiregional case—a compliance audit of IFC's global investments in financial intermediaries—is currently in monitoring.



Cases by Sector

Many of our cases relate to large infrastructure projects (27 percent), such as hydropower and port developments, and extractives projects, such as mines and pipelines (17 percent). These high-risk sectors are also reflected in our cases related to IFC financial markets investments. This year, the financial markets sector was the second largest portion of CAO's caseload at 20 percent, with complaints relating to subprojects financed by IFC client banks and funds in the power, mining, and agribusiness sectors.



Concerns of Threats and Reprisals

Complainants must be able to raise their concerns about an IFC or MIGA project freely, and without fear. Threats and reprisals affect CAO's accessibility and ability to respond to peoples' concerns. Therefore, addressing this issue in CAO's operations is at the forefront on our work. We have been reporting aggregated information about threats and reprisals in our operations since FY2018.

This year, we saw another substantial increase in the share of cases raising reprisals concerns. Complainants raised reprisals concerns in 44 percent of cases, up from 36 percent in FY2019. These reports were most prevalent in cases from East Asia and the Pacific, where nearly 70 percent of regional cases raised reprisals concerns, compared to 50 percent in FY2019. Likewise, 48 percent of cases from Sub-Saharan Africa and 45 percent of cases from Europe and Central Asia raised reprisals concerns. The source of threat was reported as government authorities in 35 percent of reprisal risk cases, the company in 32 percent of cases, both in 20 percent, and from an unknown source in 13 percent (see p. 15).

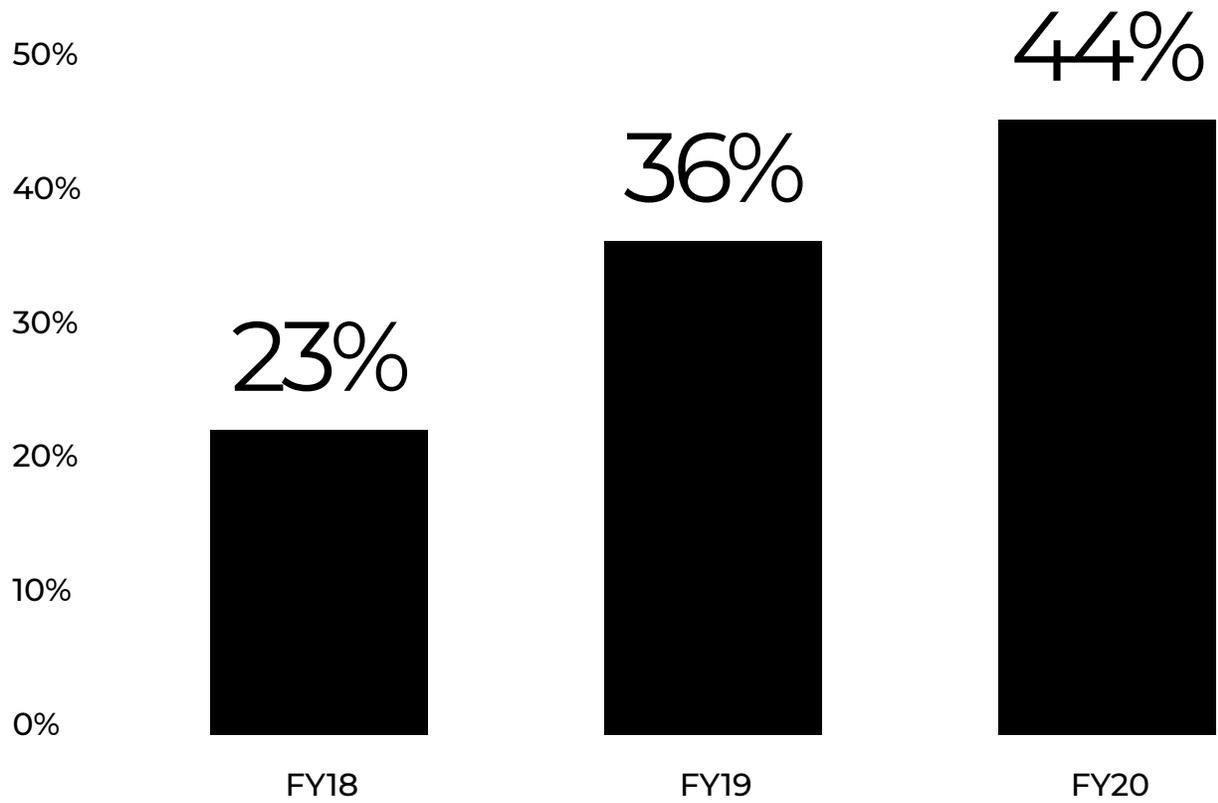
In FY2020, we continued to focus on the implementation of our [Reprisals Approach](#), fine-tuning risk assessment procedures and developing new guidance materials and trainings for CAO staff and consultants. With increased reliance on remote communications during the COVID-19 pandemic, we have developed support tools on secure communications and translated the Approach, which is now available in eight languages.

We continue to support IFC in its own efforts to develop approaches and guidance for IFC staff related to [IFC's Position Statement on Retaliation](#). This included participating in an IFC workshop with civil society

and inputs to an IFC tip sheet, which provides practical advice to clients on addressing reprisals risks during the COVID-19 pandemic.

CAO continues to see a rise in reports of concerns about threats and reprisals by complainants.





Concerns of Threats and Reprisals Reported in CAO's Caseload, FY2018-FY2020

More information on [CAO's Approach to Reprisals](#) is available on our website. The Approach is currently available in English, Arabic, Chinese, French, Portuguese, Russian, Spanish, and Ukrainian.

Understanding the Issues

Assessment

Once we have determined that a complaint is eligible, we conduct an assessment. During this process, we are in listening and capacity-building mode. Our focus is to better understand the issues raised in the complaint and the different perspectives of the parties—both the complainants and the company.

We explain the options offered by CAO and empower the parties to decide how best to address their concerns. Ultimately, the parties can decide to engage in a voluntary dispute resolution process or initiate a compliance review to address the complaint.

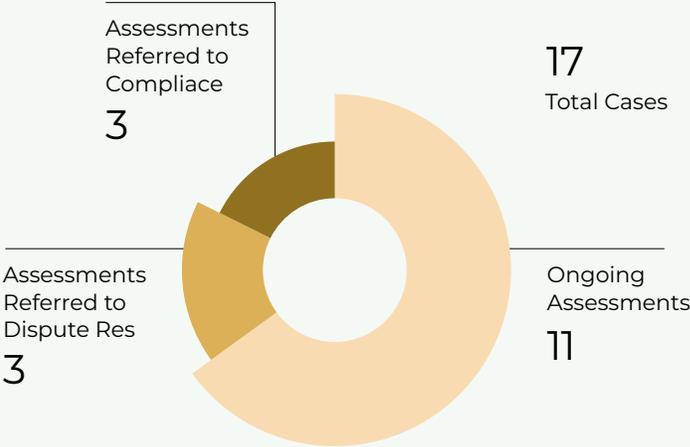


The CAO team meets with community members during the assessment of a complaint in Guinea, 2020 (CAO)

Cases in Assessment, FY2020

We completed 6 assessments this year, referring 3 cases to Dispute Resolution and 3 cases to Compliance. At the end of the fiscal year, 11 cases were in ongoing assessments.

Note: Chart status as of June 30, 2020.



Assessment Snapshot, FY2020

We completed 6 assessments in FY2020. Outcomes from these cases are described below.

Albania

Complainants in this [case](#), regarding a small hydropower development in Albania, did not wish to engage in dialogue with the IFC client, Enso Hydro, so the case was referred to CAO's Compliance function for appraisal. We closed the case after concluding that an investigation of IFC's review and supervision of the project was not merited, also given uncertainty about the project's development.

Azerbaijan

We completed assessment of a [complaint](#) from Azerbaijan regarding an associated facility of the Trans-Anatolian Natural Gas Pipeline (TANAP). The project sponsor chose not to engage in dispute resolution and we closed the case after compliance appraisal. The appraisal found that the resettlement process which prompted the complaint occurred before MIGA provided a guarantee; the MIGA guarantee was cancelled; and a safeguard policy waiver was granted for associated facilities of TANAP.

Cambodia

During assessment, the parties chose dispute resolution to address concerns raised by 12 communities regarding the impact of rubber plantations in Ratakaniri Province. The plantations are operated by a Vietnamese company funded by IFC financial intermediary clients, TPBank and VPBank. Given the overlap with a previous complaint, this [case](#) is being addressed through an existing CAO dialogue process.

Guinea

In Guinea, we completed a complex assessment involving a vast complainant group covering 13 villages who raised concerns about the expansion of the Sangaredi bauxite mine. The parties chose dispute resolution to address concerns about consultation, compensation and resettlement, among other issues. The [dialogue process](#) is ongoing.

Indonesia

Our assessment of a [complaint](#) from North Kalimantan resulted in the parties deciding to engage in dispute resolution to resolve concerns about water pollution, waste management, and land clearance related to oil palm plantations operated by subsidiaries of the Wings Group, an IFC client.

Liberia

We assessed our first [complaint](#) from Liberia regarding IFC's investment in Salala Rubber operations. Since the project sponsor did not wish to engage in dispute resolution, the case, which raises concerns about land and livelihood loss, was referred to compliance appraisal (see case highlight, next page). The dispute resolution process is ongoing.



CAO Dispute Resolution Specialist, Andrea Repetto Vargas, with community members in Guinea, 2020 (CAO).

CAO Assesses Land Case from Liberia Regarding the Impact of Rubber Plantations

In CAO's first case from Liberia, the parties could not agree to participate in a CAO-led dispute resolution process, but the company agreed to continue engaging with the community through existing Citizen's Representative Committees.

After several years of civil war in Liberia, IFC provided a \$10 million loan to Salala Rubber Corporation (SRC) to finance its plans to rehabilitate, expand, and optimize its plantations, which had been neglected during the war.

In May 2019, we received a [complaint](#) from four NGOs representing 22 communities from the Margibi and Bong counties in Liberia, who requested that their identities be kept confidential. The complaint raised concerns about land grab and forced eviction, including the Free Prior and Informed Consent (FPIC) of Indigenous peoples, destruction of ancestral graves and sacred sites, economic displacement and loss of livelihood, and water pollution. The complaint also raised issues related to concerns about employment conditions and labor rights, access to schools and health facilities, sex and gender-based violence (SGBV), threats and reprisals, and compliance



Rubber plantation in Liberia (Alamy).

with national and international law and IFC's Performance Standards.

After finding the complaint eligible for assessment in June 2019, we conducted a field visit to Liberia to discuss options for addressing the complaint with the relevant parties. During the assessment, the complainants indicated their willingness to engage in a dispute resolution process facilitated by CAO. However, Salala Rubber Corp. raised concerns about the process and partiality of CAO's team. They indicated their willingness to engage with the impacted community but not in a CAO dispute resolution process. In keeping with our Operational Guidelines, the complaint was referred to our Compliance function. We are currently conducting a compliance appraisal of IFC's environmental and social performance related to this project.

Finding Solutions Through Dialogue

Dispute Resolution

In our dispute resolution work, we offer communities and companies an opportunity to address environmental and social concerns related to an IFC or MIGA project through a voluntary problem-solving process.

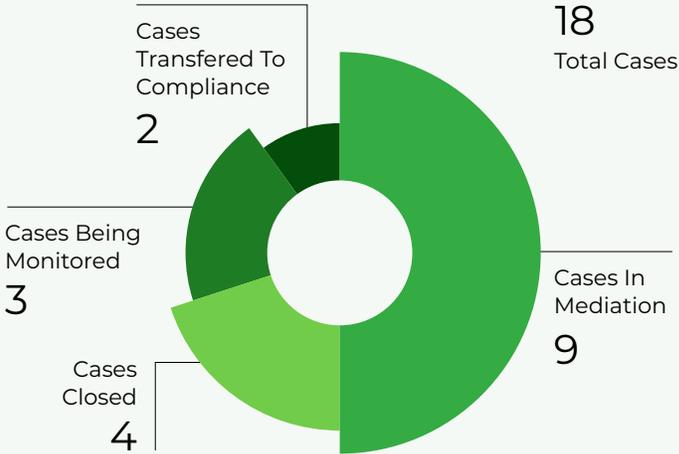
Our dispute resolution specialists and local mediators work with the parties

to build their capacity to participate in dialogue and help design a collaborative process where the parties have joint ownership of the solutions and outcomes. We document good practices from our work to contribute to learning in the realm of resolving development disputes.

Cases in Dispute Resolution, FY2020

Two-thirds (67 percent) of our current dispute resolution cases are in full or partial settlement. This includes new settlements reached this year (17 percent), and cases where we are monitoring implementation of agreements (83 percent).

Note: Chart status as of June 30, 2020.



Dispute Resolution FY2020 Snapshot

Substantial settlement agreements were reached in three ongoing dispute resolution processes this fiscal year, which are described below.

Nicaragua

This year, the community and the IFC client reached a final [agreement](#) establishing various actions and commitments for health, employment, and income-generation projects related to the Montelimar sugar mill. These outcomes are the culmination of 22 dialogue meetings CAO has facilitated since 2016. We are now monitoring implementation of the agreement.

Ukraine

We are jointly coordinating a [mediation](#) related to a poultry production project in Ukraine with the Independent Project Accountability Mechanism of the European Bank for Reconstruction and Development (EBRD), which is a co-financier of the project with IFC. Parties issued a joint statement this year outlining progress to date, including projects related to road safety and water, and shared interest in engaging independent experts to look at environmental impacts of the company's operations.

Uzbekistan

We are [mediating](#) dialogue in Uzbekistan between community representatives and two IFC clients (a textile producer and bank) concerning forced labor in the cotton sector. This year, parties announced an Interim Agreement, which was achieved despite great complexity, given the nature of the complaint and the number of stakeholders involved. Mediation is ongoing.

Resolution of Chad-Cameroon Pipeline Cases Supports Community Livelihoods

This 1000 kilometer pipeline that transports crude oil from Chad to the Cameroon coast has been the subject of several complaints to CAO and we have facilitated parallel dispute resolution processes in both countries for several years.

CAO formally closed two dispute resolution processes this year relating to the Chad-Cameroon Pipeline Project. The project was originally supported by IFC and the World Bank and was a landmark project when constructed in the early 2000s with the intention to demonstrate that large-scale oil projects could contribute to sustainable development.

We received two complaints from [Chad](#) and [Cameroon](#) about the project in 2011. In Cameroon, we facilitated several distinct dialogue processes between 2012 and 2017 to address the complex issues raised by four individuals and three community-based groups.

The agreements reached, and the processes followed to get there, were diverse, including provision of medical care; establishing a plantation in an alternate location for a family farm; supporting a local fishermen's cooperative; and assisting two local indigenous communities.

In March 2020, we officially closed the case after publishing a [Conclusion Report](#).

Concurrently in Chad, we facilitated a dispute resolution process between Chadian operator of the pipeline and representatives of local communities. The dialogue process addressed five priority areas, including land use by compensation, access to jobs and in-migration of people, environmental impacts, and insufficient signs of sustainable development. Issues that were

not part of the dialogue process—concerns related to security and resource management—were transferred to CAO's Compliance function and the case was closed in May 2020 after [appraisal](#) of IFC's performance.

CAO worked with communities to build their capacity during the dispute resolution process. Photo: Rodrig Mbock/CAO



Multistakeholder Dialogue Mitigates Resettlement Concerns Related to Phnom Penh Airport

A multiyear mediation process led to the cancellation of resettlement plans, new security fence, and improved information sharing with households living near the airport.

In June 2013, 59 households living near the Phnom Penh International Airport filed a [complaint](#) to CAO with the support of a Cambodian NGO over threatened land acquisition and possible forced evictions in connection with the development the airport. They also raised issues regarding community consultation and IFC's due diligence.

IFC invested a loan of up to \$10 million in the project to support airport upgrades, including runway expansion. The project operator, Société Concessionnaire de l'Aéroport (SCA), holds a concession from the Royal Government of Cambodia to operate airport.

The complainants, company, and government agreed to engage in a collaborative dialogue process to try to resolve the issues. Starting in February 2014, CAO convened several multi-



Parties participate in a mediation session related to the Phnom Penh International Airport complaint (CAO).

stakeholder meetings, provided training, and facilitated information sharing. Several interim agreements were reached on issues such as conducting baseline socioeconomic surveys, placing informational signs in potentially affected communities, and consulting with the affected communities. In June 2016, the government announced there would be no resettlement and alternative plans were being reviewed to build the new airport at another location. In January 2018, after consultations with complainant representatives and the airport operator, CAO concluded the dialogue process and started monitoring the agreements reached.

In order to meet International Civil

Aviation Organization safety and security standards and avoid impacts to local communities, the government and SCA agreed to build a new interior security fence inside the existing airport and to renovate and improve the original exterior airport wall. The fence construction and wall renovations were completed in June 2018. A closure meeting was held in Phnom Penh in August 2019, with participation of the Phnom Penh Airport Community Advisory Group, SCA, IFC, the State Secretariat for Civil Aviation, and NGOs. After monitoring the implementation of agreements, we released a [Conclusion Report](#) and formally closed the case in May 2020.

Shared Solutions Achieved through Dialogue Between Herders, Mining Company and Government

As Mongolia shifts from an economy based on agriculture and herding to one based on mining, CAO's dispute resolution process found concrete ways to help nomadic herders living near a copper mine in the South Gobi to sustain themselves and protect their indigenous livelihoods.

The high plains of the Gobi Desert were the setting for a CAO dispute resolution process that commenced in 2013 and was concluded late in 2019.

The [case](#) centers on the Oyu Tolgoi project in the Southern Gobi, a \$12 billion mining investment between Rio Tinto and the Mongolian government, supported by both IFC and MIGA.

The arrival of mining facilities and supporting infrastructure in the desert, following the discovery of gold and copper deposits, has introduced challenges for the herders who have traditionally inhabited and raised their livestock in nomadic settlements across the region.

The CAO process addressed complaints from two groups of herders, supported by local and international NGOs, concerning the mine's resettlement process and compensation program, as well as its use of land and water, in particular



the diversion of the local Undai River. The herders claimed these impacts disrupt their nomadic way of life and jeopardize their livelihood and indigenous culture.

To resolve disputes and find solutions, a "Tripartite Council" was formed comprising a coalition of herder, mining company, and local government representatives. The "TPC", as it is known, has focused on providing opportunities and assistance to the herders to sustain themselves. Joint solutions include equipping wells with solar-powered pumps to resolve water scarcity, compensation for claimants

displaced by the project, scholarship support for university students from herder households, and many social and sectoral programs to address the herders' livelihood needs, and to support the herders in passing their traditional knowledge from one generation to the next.

The dialogue process has also built lasting relationships. TPC members will continue to collaborate on implementation of the agreements after CAO's exit to ensure that the outcomes are sustained. CAO issued a [Conclusion Report](#) documenting outcomes from the mediation in May 2020.

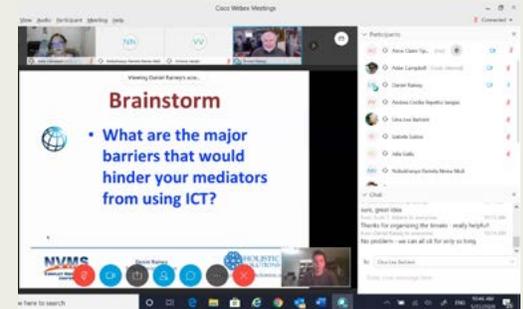
Virtual Dispute Resolution during the COVID-19 Pandemic

The COVID-19 pandemic and restrictions on travel and in-person meetings has affected our ability to conduct dispute resolution processes. However, we have adapted and innovated.

To ameliorate the impacts of the pandemic on our dispute resolution work, we have innovated our approach to allow work to continue and achieve outcomes wherever possible. This has included adapting

in-person engagements to online platforms, while ensuring adequate access and capacities for all engaged parties. We have also conducted training in online dispute resolution for dispute resolution staff based in Washington, as well as training CAO's global network of mediators to use online technology to host meetings.

In some instances, we have been able to continue monitoring dispute resolution outcomes virtually. In [Nicaragua](#), we provided capacity building for the parties to hold two virtual joint meetings concerning the Montelimar sugar mill. They also discussed possible adjustments to implementation of the final

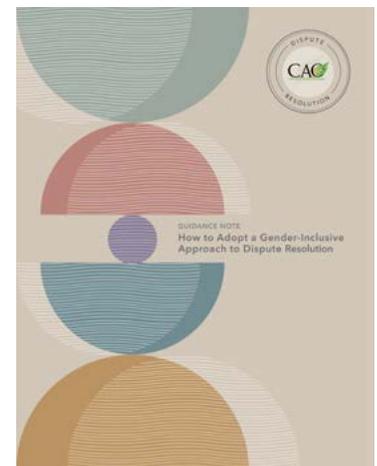


settlement agreement, along with new ways in which the company can support the community given the impacts of COVID-19.

Dispute Resolution Good Practice: Joint Fact-Finding and Gender Guidance Publications

In FY2020, we released the third publication in our Reflections from Practice series based on insights from our dispute resolution work. The publication, "[Joint Fact Finding](#)," follows two earlier good practice publications, "[Getting Started with Dispute Resolution](#)" and "[Representation](#)," launched in FY2019. The series benefits CAO staff and mediators, as well as helping meet the growing external demand for CAO's dispute resolution knowledge. Learn more at cao-dr-practice.org

We also launched a new Guidance Note, "[How to Adopt a Gender-Inclusive Approach in Dispute Resolution](#)." Developed by CAO dispute resolution staff, mediators, and gender experts, this Guidance Note is the first of its kind. While its focus is on supporting mediators mainstreaming gender dimensions in dispute resolution, it is also an important resource for other stakeholders seeking to respond to international guidelines.





A Bridge International Academies school in Kenya. CAO is conducting an investigation of IFC's performance related to its investment in Bridge.

Enhancing Environmental and Social Performance

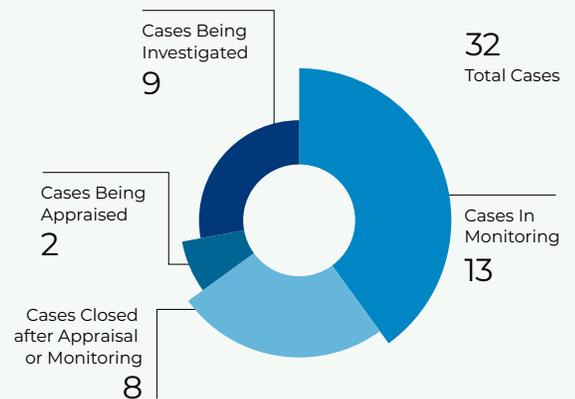
Compliance

Through our Compliance function, we investigate cases that raise substantial concerns about a project's environmental and social outcomes. Compliance investigations help IFC and MIGA address gaps in the implementation of their environmental and social standards, respond to negative project impacts on local communities, and make systemic improvements to E&S performance.

Cases in Compliance, FY2020

Our Compliance caseload in FY2020 comprised 32 cases in 21 countries. We initiated 4 new investigations and completed 3 investigations related to IFC hydropower investments in Costa Rica and Guatemala, and mining in Peru. In addition, we closed 6 cases after appraisal with no further action, and 2 cases in India and Malaysia, respectively, after monitoring IFC's response to our compliance findings.

Note: Chart status as of June 30, 2020.



Compliance FY2020 Snapshot

After completing appraisals, we closed 6 cases and initiated 4 new compliance investigations, which are described below:

Kenya

We initiated a compliance [investigation](#) of IFC's investment in Bridge International Academies, a low-cost, for-profit chain of schools in Kenya. Our investigation is focusing on allegations including noncompliance with national law, labor practices, and the management of health and safety risk.

Nigeria

We launched a compliance [investigation](#) of IFC's investment in Indorama Eleme Fertilizer and Chemicals Ltd (IEFCL), responding to a complaint from 134 Nigerian employees raising concerns about the company's labor and working conditions, and use of security forces.

Panama

We initiated a compliance [investigation](#) of IFC's Advisory Services project with Empresa de Transmisión Eléctrica, S.A. (ETESA), Panama's state transmission company, addressing a complaint from Indigenous communities about the potential impacts of a 330-kilometer transmission line.

Philippines

We launched a compliance [investigation](#) of IFC's investment in Rizal Commercial Banking Corporation (RCBC) in relation to multiple coal-fired power plants supported by RCBC in the Philippines. The investigation is focusing on IFC's review and supervision of the client's E&S management systems in the context of its exposure to coal-fired power projects.

Albania

We issued a compliance [monitoring report](#) of IFC's investment in Enso Hydro regarding a hydropower project in Albania. The report acknowledges IFC's disclosure of the project's E&S impact assessment and river flow monitoring, both identified as deficiencies in CAO's investigation. We continue to monitor IFC's response regarding the project's alignment with a National Park management plan and impacts on tourism.

Uganda

We published a [monitoring report](#) related to the Bujagali Energy Project, the World Bank Group's first private hydropower project in Africa. Two CAO investigations responded to complaints regarding worker injuries, unpaid wages, and land compensation. While acknowledging progress, the monitoring report notes delays in IFC's implementation of actions to address adverse impacts on workers and communities.



CAO compliance team members talk to complainants during a field visit to Uganda (CAO).

Investigating Land and Livelihood Impacts of IFC Investments in the Hydropower Sector

Recent investigations in Guatemala and Costa Rica have focused on IFC's review and supervision of land and livelihood impacts arising from direct and indirect investments in hydropower projects.

In June 2020, we published a [compliance investigation](#) of IFC's investment in Corporación Interamericana para el Financiamiento de Infraestructura (CIFI), a financial institution (FI) that financed a hydropower plant in Santa Cruz Barillas, Guatemala developed by Hidro Santa Cruz (HSC). Construction of the project was suspended soon after it commenced in 2012 following the escalation of community protests.

CAO's investigation responded to a complaint filed in 2015 by Indigenous Peoples living near the project site. They raised concerns about consultation, land acquisition, economic displacement, and cumulative impacts and asserted that project opponents were subject to violence, persecution, threats, and intimidation. They cited a violent incident in May 2012 that resulted in one community member being killed and two others injured. The complainants maintain that one of the perpetrators was a security guard hired by the project, although the project developer denied involvement. The incident led to a violent protest and the government declared



a state of siege, mobilizing police and military to the area for almost three weeks.

Our investigation made findings in relation to IFC's review and supervision of the CIFI investment, including its response to the May 2012 incident. While CIFI ended its investment in 2015, and the project was abandoned in December 2016, available evidence supports the complainants' assertion that residual impacts remain.

Though aware of these project impacts during the period of financing, IFC did not engage with its client to ensure that residual impacts were appropriately addressed, including at project closure, as required by IFC's policies. While not

The Reventazón hydropower project in Limón, Costa Rica (CAO).

Continued →

Compliance

committing to project-level actions, IFC's response committed to defining an approach to "responsible exit" and developing guidance on incident response for FI clients.

In a second case in Guatemala, we released a compliance [monitoring report](#) following our 2017 investigation of IFC's investment in the Latin Renewables Infrastructure Fund (LRIF). Through LRIF, IFC is exposed to the Santa Rita hydro project, which was the subject of a complaint from Indigenous communities regarding Free, Prior, and Informed Consent (FPIC), livelihood impacts, and repression of community leaders opposed to the project. Our monitoring report concluded that IFC has not supervised its client to ensure that residual impacts of the project are assessed and appropriately remedied in accordance with IFC's requirements.

We also completed an [investigation](#) responding to two [complaints](#) from Costa Rican landowners about land acquisition and resettlement related to construction of the 305 MW Reventazón hydropower project in Limón. IFC is supporting the project through a loan to the project operator, Instituto Costarricense de Electricidad, a state-owned enterprise. Our investigation found that the project's environmental and social impact assessment inappropriately categorized some landowners as non-vulnerable and IFC's pre-investment review did not focus on potential compliance issues associated with land acquisition from these groups. IFC also did not ensure that its client provided compensation at full replacement cost in line with the Performance Standards. IFC was also aware of concerns regarding the company's approach to land valuation, leading to potential under-compensation, but did not ensure that its client's methodology was consistent with IFC policy requirements.



A Resettlement Completion Audit provided an opportunity for IFC to correct concerns regarding the land acquisition process and IFC has been reviewing information provided by the client to determine whether 15 affected families were misclassified as non-vulnerable. IFC's [response](#) also committed to develop guidance for staff working with public sector clients such as state-owned enterprises in applying the Performance Standards.

Community dwellings near the Santa Rita hydropower project in Guatemala (CAO).

Compliance with Labor, Standards in the Mining and Manufacturing Sectors

IFC has committed to updating its Health and Safety Guidelines and Labor Handbook in response to two investigations in Peru and Malaysia.

We released a [compliance investigation](#) this year responding to two complaints from mine workers in Peru concerning health and safety conditions at Minera Yanacocha. Yanacocha operates open-pit gold mines, which IFC has supported through equity and loan investments.

The investigation documented shortcomings in IFC's pre-investment review of the client's occupational health and safety systems and lack of E&S requirements as conditions of IFC's financing. The report found that IFC did not have access to sufficient occupational hygiene expertise to monitor how its requirements were being applied to such a large and technically complex project and ensure their client provided adequate protection for workers. IFC's supervision provided insufficient evidence for CAO to verify the complainants' claims of adverse health impacts caused by the project.

Project-level actions IFC has taken in [response](#) include engaging with Yanacocha regarding the complainants' concerns about access to their medical records. At the systemic level, IFC committed to update its Health and Safety

Guidelines as they relate to monitoring worker exposure to toxins. We are now monitoring the case.

In another labor case, we issued a [compliance monitoring report](#) regarding IFC's investment in Bilt Paper and its Malaysian subsidiary, Sabah Forest Industries (SFI). CAO's 2018 investigation reviewed IFC's compliance with freedom of association issues. In response, IFC is updating its Labor Handbook but did not address other findings such as how to exercise remedies in response to a client's breach of Performance Standard 2 on Labor and Working Conditions. CAO closed the case in June 2020 without a satisfactory outcome given IFC's limited leverage to effect progress following Bilt's sale of SFI.



Workers at a Bilt Paper subsidiary in Malaysia (CAO).

Investigation of IFC's Support for Kerala Port Development Closed After Compliance Monitoring

In June 2020, CAO issued a compliance monitoring and [closure report](#) regarding IFC's Advisory Services project with Vizhinjam International Seaport Limited, a special purpose company owned by the State Government of Kerala developing a multi-purpose seaport in Kerala, India. IFC was hired as the transaction advisor to assist the company in structuring and implementing the project and seeking private sector partners to implement the plan in collaboration with the State Government Ports Department.

We received three complaints in relation to the project from local tourism workers and businesses, fishing communities, and local villagers raising concerns about the environmental and social impacts of the proposed port and IFC's due diligence. We completed the investigation in 2018 making two broad compliance findings. First, IFC took on the role of lead transaction advisor without reasonable assurance of the client's commitment to develop the Kerala port in accordance with the Performance Standards. Second, the E&S impact assessment for the project was not fully consistent with the Performance Standards, particularly in relation to land acquisition and impacts on livelihoods.

IFC did not commit to take any action to address CAO's findings at the project level on the basis that it had concluded its engagement with the client prior to the release of our

investigation report. At the systems level, the monitoring report concluded that IFC had outlined several changes to its E&S supervision of private-public partnership (PPP) advisory services projects that increase the focus on risk identification and management. The report further noted that several changes in practice are pending formalized changes to the IFC Environmental and Social Review Procedures.

CAO decided to close the cases based on IFC's systems-level actions and considering IFC no longer has direct involvement with the Kerala port project.

See [Vizhinjam-01](#), [02](#) and [03](#) on CAO's website for more information.

Fishing boats near the Vizhinjam Seaport in Kerala, India (CAO).



Enabling Remedy for Project Impacts on Communities

Practical roles that IFC and MIGA can play, and actions they could take, to enable remedy for people adversely affected by the environment and social aspects of IFC MIGA projects has been a consistent emphasis in CAO's compliance work.

Remediation of impacts at the project-level is an essential component of IFC and MIGA's E&S requirements and the "protect, respect, and remedy" framework of the UN Guiding Principles on Business and Human Rights. This concept is now emerging more broadly in the financial sector in terms of financial institutions' roles and responsibilities in response to project-level harm. In particular, the Dutch Banking Sector Agreement Working Group on Enabling Remediation has presented a framework for the financial sector that distinguishes among cause, contribution, and linkage to human rights impacts. It offers banks an approach to remedy based on those distinctions and seeks to move the banks from a binary choice of providing or not providing remedy to ask what is a bank's role in enabling a "remedy ecosystem" that provides numerous options for effective redress for

project-affected communities.

This was a productive topic of discussion during an event we convened on the "Role of Financiers in Enabling Remediation for Project-Affected Communities" during the World Bank Group/IMF Annual Meetings. The session was moderated by Devex and co-hosted with the NGO, Centre for Research on Multinational Corporations (SOMO), and brought together experts from Shift, ABN Amro, American University, and IFC to discuss challenges and good practices for achieving effective remedy in cases of business-related environmental and social impacts on communities (see p. 42).

More recently, the [external review](#) of IFC and MIGA's Environmental and Social Accountability, including CAO's Role and Effectiveness notes challenges that project-affected communities face in achieving remedy through a CAO process. The Review notes that several development finance institutions and private banks are rapidly evolving their approach to human rights in their E&S standards and commitments to contribute to remedy in cases of project-level harm. Given this evolution, the External Review notes that there is an opportunity for IFC to provide leadership in shaping E&S policies and practices in this space. In addition, where IFC/MIGA contribute to harm, they should contribute to remedy by providing technical assistance and/or mobilizing other resources.

Our Compliance Work during COVID-19



Travel restrictions due to COVID-19 have prevented us from conducting field visits that are typically part of a CAO investigation process. Instead of field visits, our compliance teams have been conducting online meetings with IFC and MIGA staff, their clients, and complainants in order to progress necessary work. While investigations can be completed in this manner, there are obvious disadvantages

when our compliance specialists are not able to observe client operations. Maintaining the quality of CAO's engagement with stakeholders, in particular community representatives, is also challenging in these circumstances. As with all CAO's work, we continue to adapt our approach to case handling and maintain flexibility during the pandemic to help mitigate delays and maintain consistency.

Effecting Change through Learning

School children from the Ebaka community in Cameroon where CAO conducted casework related to the Chad-Cameroon Pipeline (Rodrig Mbock/CAO).

In our Advisory role, we provide advice to the World Bank Group President and IFC and MIGA management on environmental and social issues related to policies, standards, guidelines, procedures, resources, and systems.

By drawing on CAO casework, CAO Advisory products convey lessons, guidance, and recommendations with the objective of improving the environmental and social performance of IFC and MIGA and preventing future harm.



Advisory FY2020 Snapshot

Advice to IFC on Fragility, Conflict, and Violence (FCV) and Remedy

This year, we provided inputs to IFC's planned conflict sensitivity training for FCV staff, as well as to IFC's training concept and materials on stakeholder engagement for environmental and social specialists. We also contributed to the World Bank Group Strategy for FCV countries, drawing from CAO case experience. We have started a joint engagement with IFC on the topic of remedy and are in the beginning stages of new advisory work focused on ways IFC can responsibly exit from investments in the context of ongoing social risk. visualizations and data management platforms for use both internally and externally.

Guidance to IFC on Retaliation

Piloting a new approach to generating advisory work, we are jointly developing practical guidance with IFC for IFC staff, development finance institutions, and clients on special considerations when undertaking stakeholder engagement or setting up project-level grievance mechanisms in difficult environments that are prone to reprisals. This guidance will be completed during the first half of FY2021. At IFC's request, CAO Advisory has also continued to provide inputs and guidance as IFC implements its [position statement](#) on Retaliation. This has been an ongoing process that began with the release of CAO's own [Approach to Threats and Reprisals](#).

Learning from 20 Years of CAO Operations

CAO Advisory is working on a publication that will review CAO's impact over 20 years of operations and reflect on the future of CAO's work in the field of multilateral accountability and development. This publication will draw on a review of CAO's case data, surveys, and interviews with a range of stakeholders, and insights from the CAO team. Given IFC's recent accountability commitments, including a more proactive approach to stakeholder engagement and grievance response, CAO anticipates this advisory work, planned for release in 2021, will provide important insights to inform the development of IFC's new systems.

To support the "CAO at 20" work, as well as the growing Advisory program, we have been strengthening our methodology for data extraction, including coding qualitative and quantitative information from cases at each stage of the CAO process. We plan to deepen data analysis in the next year, improving data visualizations and data management platforms for use both internally and externally.

Advisory Good Practice Note for Independent Accountability Mechanisms

In setting standards for advisory work, CAO, as the only independent accountability mechanism with a dedicated and staffed Advisory role, occupies an important space in the Independent Accountability Mechanisms Network (IAMnet). CAO has led the development of a good practice note on advisory work for the network, where our experience is valued as other IFI accountability mechanisms seek to establish effective and robust advisory roles.



The toolkit is available in English, French, and Spanish at www.cao-grm.org.

Enhancing Project-Level Grievance Mechanisms

In June, CAO presented its Grievance Mechanism Toolkit at a global webinar hosted by the International Association for Impact Assessment (IAIA). Over 1,000 professionals from 72 countries registered for the session, including practitioners working in grievance response and those new to the field.

The session received positive feedback on the usefulness of the [toolkit](#), which includes a collection of case studies, adaptable templates and multi-sector guidance. Participants also expressed interest in more guidance from CAO on developing grievance mechanisms in fragile contexts, such as the COVID-19 pandemic where stakeholder engagement is limited by necessity.

The toolkit was launched by CAO Advisory in 2016 as an interactive, online guide to designing, implementing, and managing project-level grievance mechanisms. The toolkit, which is available in English, French, and Spanish, builds on CAO's earlier guidance on grievance mechanisms that was first published in 2008 and enjoyed uptake in the private sector at a time when the topic was nascent.

The toolkit was developed with lessons from CAO cases, external expertise,

and best practice in the field, and benefited from peer review and learning sessions with IFC, MIGA, and World Bank E&S specialists. They highlighted many key challenges they see in the design, implementation, and supervision of client grievance mechanisms, which is a policy requirement for IFC/MIGA projects with potentially adverse environmental and social impacts.

Since publishing the toolkit, CAO has engaged in numerous events to disseminate it, including IFC's Sustainability Exchange and the UN consultations on the implementation of the Guiding Principles on Business and Human Rights. CAO has also been asked for guidance on the topic by IPIECA, the global oil and gas industry association for environmental and social issues, and the UN Accountability and Remedy project.

To date, surveys of toolkit users

show that it has been accessed by practitioners in more than 16 countries, including some in fragile and conflict situations, and by both private and public sector users. Feedback has been overwhelmingly positive, with respondents citing the usefulness of the toolkit in helping companies address issues in their existing grievance mechanisms and improving the roll out and stakeholder engagement around newly implemented mechanisms. Many stakeholders have also requested thinking on implementing grievance mechanisms in the context of COVID-19, as well as in fragile and conflict contexts. We are assessing where CAO may be able to provide value in this respect through its Advisory work.

Learn more about CAO's Grievance Mechanism Toolkit at www.cao-grm.org

Monitoring and Evaluation: Assessing Our Impact



Community member in Cameroon (Rodrig Mbock/CAO).

CAO works not only to improve the environmental and social performance of IFC and MIGA, but our own performance, as well. Since 2009, we have been analyzing our impact and effectiveness through a monitoring and evaluation (M&E) system.

Our M&E tools have evolved to include collecting case-related data; monitoring case outcomes; initiating peer reviews; tracking management actions; and conducting surveys with complainants, IFC and MIGA staff, clients, and other stakeholders.

This year, we made significant enhancements to our data management and M&E systems. These improvements have been instrumental in the preparation of upcoming advisory work based on CAO's 20 years of operations, as well as inputs to the [External Review](#).

Specific M&E insights we gathered to inform the External Review related to parties' understanding of options available through CAO at the end of the assessment phase and perceptions of the fairness and integrity of CAO's Dispute Resolution role. In relation to assessment, 75 percent of company and community respondents over the last two years stated that they felt well informed about CAO process options, and that they fully or mostly understood the advantages and disadvantages of pursuing a CAO dispute resolution or compliance process. Regarding the CAO Dispute Resolution team's fairness and integrity, despite reaching agreement or not, complainants generally concurred that CAO acted without favoring any of the parties and with integrity. Most IFC/MIGA clients who reached agreement also felt that CAO acted without favoring any of the parties and with integrity. Among clients that did not reach agreement, there are too few respondents to assess their perceptions.

We continue to develop our M&E work to generate useful data on how our stakeholders view CAO's effectiveness and will evolve our reporting in this respect as well.



Outreach

Community meeting in Cameroon (Rodrig Mbock/CAO).

Improving Access and Impact

Raising awareness about CAO's existence and access to recourse in relation to IFC and MIGA projects remains a key focus. Our outreach program engages communities and civil society organizations throughout the regions, with events often conducted in partnership with other independent accountability mechanisms (IAMs).

We also engage the private sector, government, academia, and other organizations to share insights and learning from our work. Regular communications with stakeholders include our annual report, quarterly newsletter, monthly update, information leaflets in multiple languages, and dissemination of all reports and case updates on the CAO website and through social media. In the last few years, we have also been documenting outcomes from our work on film, including finalizing a new [film](#) this year documenting CAO's dispute resolution work in Mongolia related to the Oyu Tolgoi mine and online animations in multiple languages to explain our case handling process, which has been a particular priority during the COVID-19 pandemic.

Improving Awareness About Accountability Mechanisms in South Asia

To maximize the impact of our outreach to communities and civil society, we often conduct outreach in partnership with our fellow IAMs and civil society organizations to better acquaint civil society participants with the mechanisms and how they work.

In September 2019, we co-hosted an in-person outreach workshop for civil society in the South Asia region. The meeting was co-organized between the World Bank Inspection Panel; Green Climate Fund’s Independent Redress Mechanism; UNDP’s Social and Environmental Compliance Unit; the Asian Development Bank (ADB) Compliance Review Panel and CAO — together with local, regional, and international CSOs: the Accountability Council; the Coastal Livelihood and Environmental Action Network (CLEAN); the International Accountability Project; and the NGO Forum on ADB. More than 30 NGOs and community leaders from Bangladesh, India, the Maldives, Nepal, and Sri Lanka participated in the workshop in Dhaka, Bangladesh, which was organized with assistance from local and international NGOs.

The workshop discussed the mandates of the mechanisms and civil society experiences of engaging with them. Small group sessions focused on how to find information regarding projects funded by development finance

institutions and how to file a complaint with the mechanisms. Key issues brought up by participants included how to improve community access to the mechanisms; how to address concerns of threats and reprisals; and how to achieve redress through the complaint-handling process. Participants also raised concerns about the eligibility of complaints related to closed projects; cooperation between the mechanisms when multiple complaints are filed at different institutions; and challenges associated with using project-level grievance mechanisms.

CAO staff participate in an outreach meeting in Bangladesh for civil society from the South Asia region, September 2019 (Photo: Inspection Panel)



"The opportunity for community groups, civil society organizations, and accountability mechanisms to directly and honestly exchange information and views is essential for building trust and strengthening the delivery of justice and remedy at the community level."

Tom Weerechat, International Accountability Project, one of the key organizers of the South Asia workshop.

Virtual Outreach During COVID in Latin America

In light of the COVID-19 pandemic, we have shifted to a fully virtual outreach model and are collaborating with other independent accountability mechanisms (IAMs) to deliver outreach webinars on a regional basis. These efforts are currently focused on the Latin America region.

In May and June, we partnered in a series of webinars on access to remedy for civil society in the Latin America region hosted by the UN High Commissioner for Human Rights in Colombia. The webinar series involved the World Bank Inspection Panel, the Inter-American Development Bank's Independent Consultation and Investigation Mechanism (MICI), OECD National Contact Points, and civil society partners from more than 12 countries in Central and South America. Representatives from hundreds of community organizations, NGOs, indigenous people's organizations, and environmental and human rights groups from throughout the region participated.

In addition, we held a Central America outreach webinar in May 2020 geared to civil society organizations (CSOs) in Guatemala, Honduras, and El Salvador. This was followed by a second webinar in June 2020 for CSOs in Costa Rica, Nicaragua, and Panama. These two webinars were co-hosted by CAO with the Inspection Panel, MICI, the Guatemala Human Rights Commission,



CAO staff participate in virtual outreach webinars for civil society in the Latin America region, May 2020.



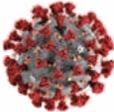
Plataforma Internacional contra la Impunidad, the Pan American Development Foundation, and Trocaire. Participants included representatives from some 60 community groups, NGOs, and foundations that work on rural development, environmental, human rights, and accountability issues.

While we have increasingly adopted virtual outreach in recent years, this is the first time we have done so on this scale. As such, the use of the online platforms such as Zoom and Microsoft Teams for outreach is largely a new experience for the IAMs and the participants, and we

are all 'learning-by-doing'. While reducing the resources necessary for in-person workshops, the webinars can potentially reach a much wider audience when compared to face-to-face meetings. However, we have found the online technology may limit the participation of some community groups in areas with low internet bandwidth and reliance on smart phones to connect. However, since each event creates an online network, the webinars offer great opportunities for follow-up outreach events—whether virtually or in-person—at the country level if local NGOs and community groups are interested in doing so.

COVID-19 Information for Communities:

CAO has worked to proactively communicate with stakeholders about its work during the COVID-19 pandemic. We developed a one-page brochure for communities about changes to case handling including health guidance about COVID-19 prepared by the Pan-American Health Organization (PAHO). The [brochure](#) is available on CAO's website in English, Spanish and Portuguese, with additional translations forthcoming.

COVID-19 (CORONAVIRUS) Adapting CAO's Casework Due to Pandemic

The rapidly evolving global situation with COVID-19 (Coronavirus) is impacting all of us in unexpected ways. CAO sends its sympathies and support to all our teams, friends, colleagues, and partners around the world who are being adversely affected by this outbreak. World Bank Group offices in Washington DC, and the majority of country offices, are now conducting home-based work and all mission travel is suspended worldwide. These restrictions apply to all CAO staff and consultants. In light of these measures, CAO is making adjustments to its work, which are outlined below.

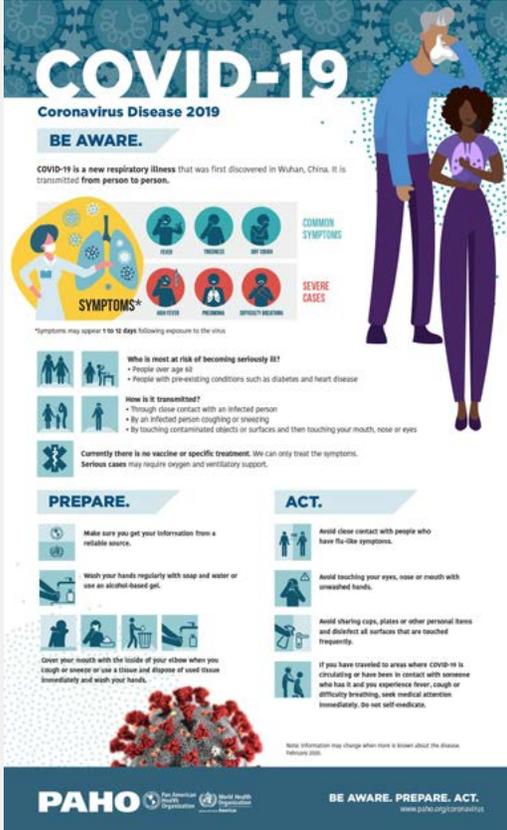
Case Handling:

Due to the unprecedented situation with COVID-19 and related travel restrictions, CAO is adjusting case handling as needed and in discussion with the parties:

-  CAO will adopt a flexible approach and will continue to manage cases remotely, wherever feasible, and guided by the availability and unique circumstances of the parties.
-  There may be cases in assessment, dispute resolution, and compliance processes that are subject to **extended timeframes, delays or postponement in activities.**
-  CAO will communicate proactively with the parties about any such anticipated changes in case processing.

If you have **questions or concerns** related to the status of a new complaint, or cases in ongoing assessment or dispute resolution, please contact the relevant specialist or email us at CAO@worldbankgroup.org and we will direct your enquiry to the relevant staff member.

OFFICE OF THE COMPLIANCE ADVISOR OMBUDSMAN
FOR INTERNATIONAL FINANCE CORPORATION (IFC) AND MULTILATERAL INVESTMENT GUARANTEE AGENCY (MIGA)
MEMBERS OF THE WORLD BANK GROUP
2121 PENNSYLVANIA AVENUE, NW • WASHINGTON, DC 20433, USA
TELEPHONE (202) 458 1973 • FACSIMILE (202) 522-2930
E-MAIL: CAO@WORLDBANKGROUP.ORG • INTERNET: WWW.CAO-OMBUDSMAN.ORG



COVID-19 Coronavirus Disease 2019

BE AWARE.

COVID-19 is a new respiratory illness that was first discovered in Wuhan, China. It is transmitted from person to person.

SYMPTOMS*

- FEVER
- TOSSLES
- SHORT BREATH
- LOSS OF TASTE
- PAIN IN CHEST
- DIFFICULTY BREATHING

COMMON SYMPTOMS

- LOSS OF TASTE
- LOSS OF SMELL

*Symptoms may appear 1 to 12 days following exposure to the virus.

Who is most at risk of becoming seriously ill?

- People over age 65
- People with pre-existing conditions such as diabetes and heart disease

How is it transmitted?

- Through close contact with an infected person
- By an infected person coughing or sneezing
- By touching contaminated objects or surfaces and then touching your mouth, nose or eyes

SEVERE CASES

Currently there is no vaccine or specific treatment. We can only treat the symptoms. Serious cases may require oxygen and ventilatory support.

PREPARE.

Make sure you get your information from a reliable source.

Wash your hands regularly with soap and water or use an alcohol-based gel.

Cover your mouth with the inside of your elbow when you cough or sneeze or use a tissue and dispose of used tissue immediately and wash your hands.

ACT.

- Avoid close contact with people who have flu-like symptoms.
- Avoid touching your eyes, nose or mouth with unclean hands.
- Avoid sharing cups, plates or other personal items and disinfect all surfaces that are touched frequently.
- If you have travelled to areas where COVID-19 is circulating or have been in contact with someone who has it and you experience fever, cough or difficulty breathing, seek medical attention immediately. Do not self-medicate.

Note: Information may change when more is known about the disease. February 2020.



BE AWARE. PREPARE. ACT.

www.paho.org/covid19

Exploring Developments in the Private Sector Related to Remedy for Project Impacts

Outreach

CAO Vice President Osvaldo L. Gratacós (far left) opens the CAO policy session and introduces the panel of experts from private sector, academia, and civil society, Washington, DC, October 2019 (CAO).

In light of growing interest in grievance response and accountability from companies, banks, investors, and regulatory agencies, among others, we regularly collaborate with the private sector to share insights from our work.



This year, CAO convened a discussion on the “Role of Financiers in Enabling Remediation for Project-Affected Communities.” The session, which was co-hosted with the Centre for Research on Multinational Corporations (SOMO) and moderated by Devex, brought together experts from Shift, ABN Amro, American University, and IFC during the World Bank Group/IMF Annual Meetings. The discussion examined challenges, lessons, and good practices for achieving effective remedy in cases of business-related environmental and social impacts on communities. Participants explored recent developments in the private sector related to recourse and remedy, including

a [2019 paper](#) published by parties to the Dutch Banking Sector Agreement, which reflects on the practical roles banks can play and actions they can take to enable remedy for project-affected people.

CAO Vice President Osvaldo L. Gratacós opened the session noting growth in the private sector’s commitment to accountability, although there is still much to be done in terms of establishing mechanisms to provide redress at the community level. Panelists discussed the Dutch Banking Sector paper, which seeks to move financial institutions from a binary choice of providing or not providing remedy to instead consider what a bank’s role might be in enabling

a “remedy ecosystem” that could provide numerous options for effective redress. The discussion also delved into several cases where private financiers worked with affected communities to provide remedy for project impacts, as well as IFC’s restructuring of its environmental and social department, and policies geared to addressing E&S risks and reducing harm. The discussion wrapped up with consideration of a pooled risk insurance fund to deal with community-level harms.

CAO's 20th Anniversary Events

Outreach



Children from the Mubende community in Uganda, where CAO conducted a dispute resolution process (CAO).

As we passed the 20 year milestone in CAO operations in FY2020, we unfortunately had to postpone activities to celebrate this anniversary due to the COVID-19 pandemic. Plans included an Accountability Symposium in April 2020 after the World Bank Group/IMF Spring Meetings co-hosted with American University Washington College of Law. We also planned our biannual Mediator Summit, which would have brought together CAO mediators from around the globe. We hope to reschedule these events during 2021, most likely in a virtual format. CAO's Advisory function will be releasing a new digital publication capturing learning and data from 20 years of CAO cases in 2021.



Funding

CAO operations are funded through an administrative budget, which is approved by the President and provided by IFC and MIGA on a cost-sharing basis. CAO also has available a nonconditional supplemental budget allocation and an Environmental/Social Mediation and Conflict Resolution Contingency Fund. CAO manages its budget independently.



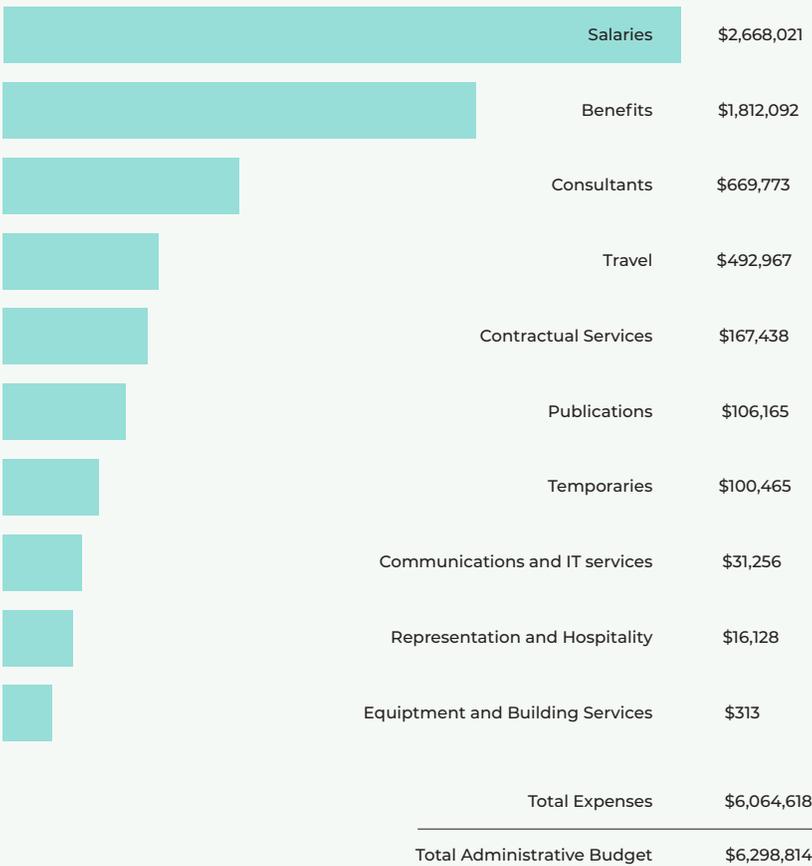
Local fisherfolk in Kribi, Cameroon (Rodrig Mbock/CAO).

CAO's Administrative Budget, FY2020

CAO's administrative budget covers the costs of staff salaries, consultants, travel, communications, contractual services, and other administrative expenses. CAO's administrative budget is funded by IFC and MIGA on a cost-sharing basis.

CAO had a total administrative budget of \$6,298,814 in FY2020, of which we expended \$5,909,257 (93 percent). The suspension of travel, in-country casework, and other activities this year due to COVID-19 resulted in an overall budget surplus for CAO in FY20.

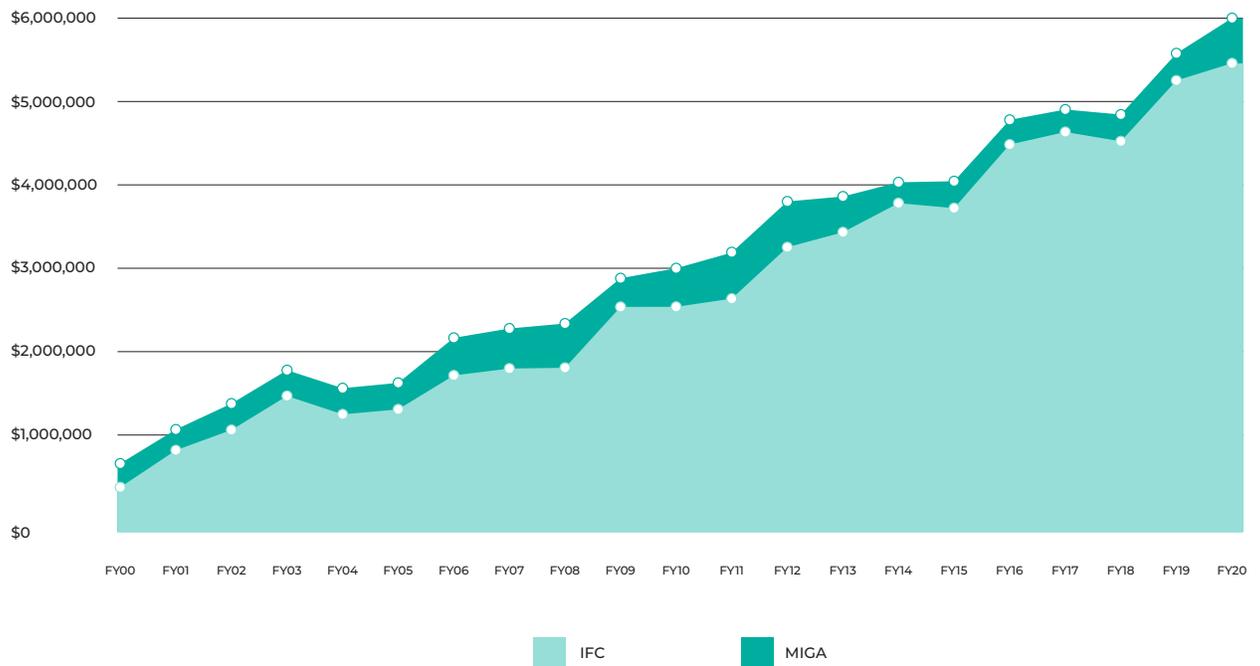
CAO's FY20 budget included an approved allocation of \$250,000 for CAO's 20th Anniversary events, including an Accountability Symposium and bi-annual Mediator Summit. These events were postponed due to COVID-19 and minor preparation costs already incurred were absorbed by CAO's existing administrative budget.



IFC/MIGA's Contribution to CAO's Administrative Budget

The determination of the cost sharing is based on the percentage of time spent by CAO staff on each institution's business matters in the prior closed fiscal year. Of the total FY2020 administrative budget of \$6,298,814, IFC contributed \$5,920,885 and MIGA contributed \$377,929. This includes an allocation of 50 percent (\$237,500) of CAO's non-conditional supplemental budget into its administrative base budget in FY2020, from total available funds of \$475,000 in FY2020. CAO did not request the remaining 50 percent of the non-conditional budget allocation in FY20.

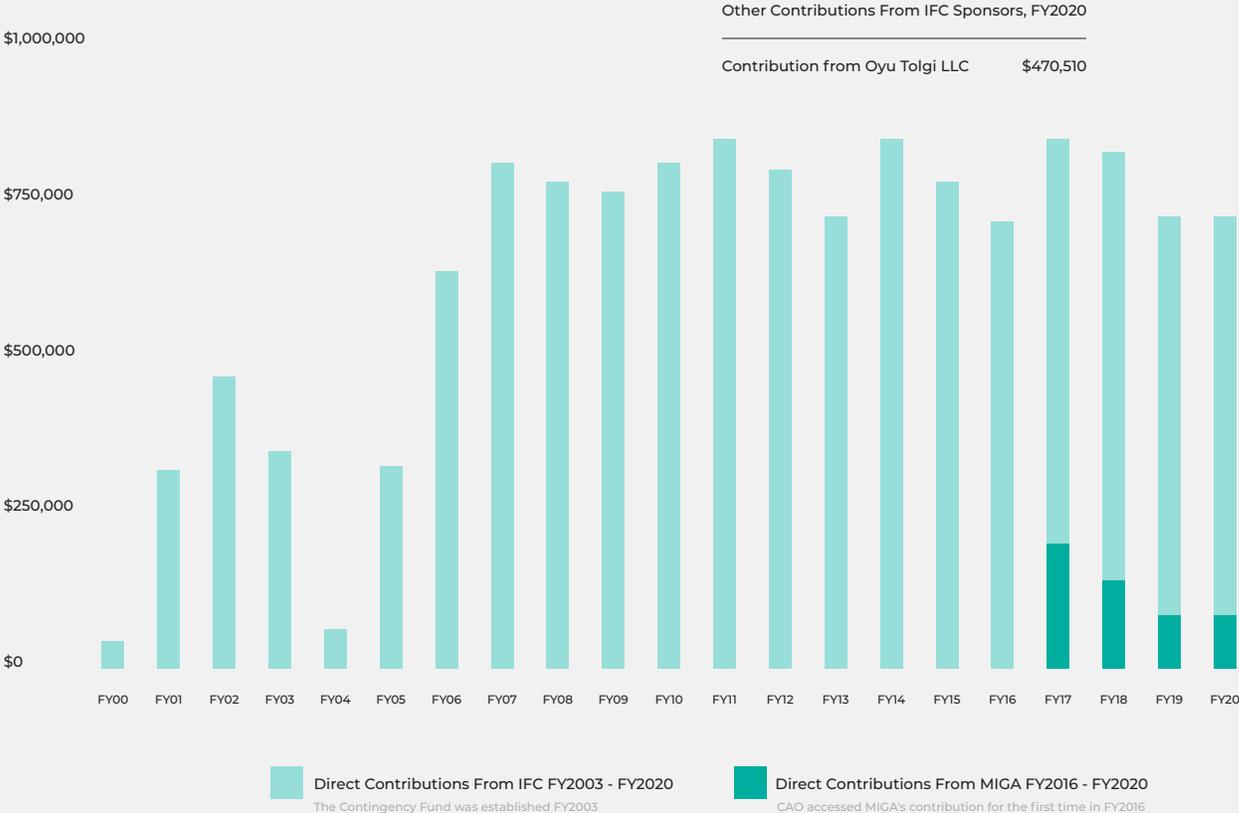
CAO also has an agreement with IFC and MIGA whereby additional funds from the Environmental/Social Mediation and Conflict Resolution Contingency Fund will be made available, on request, to support extraordinary or multiyear activities related to dispute resolution.



CAO Contingency Fund

CAO's Environmental/Social Mediation and Conflict Resolution Contingency Fund ("Contingency Fund") helps CAO budget for extraordinary dispute resolution activities that extend over several years. Contingency Funds are not available for assessment, compliance, advisory, or outreach activities, which are funded from CAO's administrative budget.

Contributions can be made of up to \$800,000 from IFC and \$200,000 from MIGA on an annual basis, which have remained unchanged since FY2003. In FY2020, IFC contributed \$800,000 and MIGA contributed \$4,408. CAO expended \$512,076 from these funds this year.



Looking Forward

The year ahead will bring many changes for CAO. We will see the departure of our current Vice President, Osvaldo L. Gratacos, at the conclusion of his term and welcome a new Vice President in January 2021, following a selection process involving participants from civil society, the private sector, and IFC and MIGA Boards.

We will be working closely with the Boards, the President, IFC/MIGA management, and external stakeholders to implement recommendations from the External Review of IFC's and MIGA's E&S accountability. We hope this process will strengthen CAO's independence and enhance our effectiveness in delivering redress for project-affected communities.

We will continue to operate with flexibility under the restrictions imposed by the COVID-19 pandemic, adjusting our dispute resolution, compliance, advisory, and outreach work as needed to remain accessible, efficient, and responsive.

We will celebrate 20 years of operations, learning, and growth with a capstone advisory publication and rescheduled events to mark this milestone that were postponed due to the pandemic.

One thing that will not change as we enter our third decade of operations is CAO's commitment to bringing forth the voices, perspectives, and concerns of project-affected communities and ensuring their grievances are addressed, remedies implemented, and project outcomes improved to strengthen IFC and MIGA's development impact.



CAO Vice President, Osvaldo L. Gratacós in Mongolia on a visit to the mine site, 2019 (CAO).



**Office of the Compliance Advisor
Ombudsman (CAO)**

2121 Pennsylvania Avenue NW
Washington, DC 20433 USA
www.cao-ombudsman.org
Cover photo credit: Stephan Bachenheimer/CAO.

Acknowledgments

Managing editor: Emily Horgan
Editor: Nancy Morrison
Contributors: CAO team
Photos: CAO, Stephan Bachenheimer,
Rodrig Mbock, Inspection Panel,
and Alamy.
Designer: Cummins & Partners, NYC