



# 2024 Annual Report



# About CAO

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, enhance environmental and social (E&S) project outcomes, and foster public accountability and learning.

Learn more at [www.cao-ombudsman.org](http://www.cao-ombudsman.org).

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Front Cover: A field worker in Qashqadaryo, Uzbekistan, where IFC client Indorama sources cotton. The field was checked by human rights monitors as part of agreements reached through a CAO dispute resolution process addressing forced and child labor concerns. (Photo: Emily Horgan/CAO, 2023)

# Contents



# About This Report

This Annual Report highlights CAO's activities and performance during fiscal year 2024 (FY24), which spans the period from July 1, 2023 to June 30, 2024. The Report also includes some data and information showing trends over several years. The Report features our work across 27 countries, summarizes progress toward our strategic priorities, and provides data on our global caseload, trends, and operational outcomes.



Residents from a village gather for a CAO meeting to discuss a complaint regarding the impacts of coastal erosion and construction of a container cargo terminal in the Port of Lomé, Togo. (Photo: CAO, 2023)

# Our Mission

CAO’s mission is to serve as a fair, trusted, and effective independent accountability mechanism that facilitates access to remedy for project-affected people and enhances the environmental and social performance of IFC and MIGA.

## Our Mandate and Functions

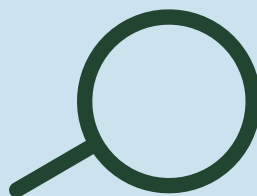
CAO’s mandate is to facilitate the resolution of complaints, enhance environmental and social project outcomes, and foster public accountability and learning. We report directly to the IFC and MIGA Boards of Executive Directors. We deliver on our mandate through three complementary functions:

### Dispute Resolution



CAO helps resolve issues raised about the E&S impacts of IFC/MIGA projects through a neutral, collaborative, problem-solving approach and contributes to improved outcomes on the ground.

### Compliance



CAO carries out reviews of IFC/MIGA compliance with E&S policies, assesses related harm, and recommends remedial actions to address noncompliance and harm where appropriate.

### Advisory



CAO provides advice to IFC/MIGA and their Boards with the purpose of improving IFC’s/MIGA’s systematic performance on E&S sustainability and reducing the risk of harm.



# Letter from CAO's Director-General, Janine Ferretti

Dear colleagues,

While it can be difficult to share a year's worth of progress in one report or letter, it is often a great way to reflect on the outcomes achieved through CAO's work.

This year, first and foremost, we continued to prioritize becoming a more effective and responsive accountability mechanism. This means ensuring we are responding to complainants and handling cases in a timely way. This has been a challenge for us in recent years given a backlog of cases that developed and was further compounded by delays in case processing during the COVID-19 pandemic.

I am pleased to share that we have reduced our case backlog from 58 percent of our caseload three years ago to 11 percent this year. This reflects the commitment we have made to improve efficiency and productivity at CAO, bolstered by increased resources. We have done this while also managing a steady intake of new eligible complaints—16 this year, a 60 percent increase from last year. Our goal for the incoming fiscal year is to bring the number of cases in backlog down to zero.

This year, we handled 65 cases in 27 countries and saw significant advancements in many of these cases. In our dispute resolution work, parties reached full and final agreements to resolve the issues in 7 cases. We are now monitoring the effective implementation of these agreements. We also closed one dispute resolution [case](#) following the successful resolution of a 2021 complaint about the impacts of a sugar refining project financed by IFC in Yemen. This report explores this case further by examining our approach to handling cases in countries affected by fragility, conflict, and security issues. We also reflect on the parties' interest in having IFC as an observer during the mediation, which contributed to the successful outcomes of the case.



CAO Director-General, Janine Ferretti, speaks at an event in Tashkent, Uzbekistan celebrating the outcomes of a CAO dispute resolution process addressing concerns about forced and child labor in the cotton sector. (Stephan Bachenheimer/CAO, 2023)

Additionally, we published four compliance investigation reports together with Board-approved IFC Management Action Plans. One of these reports relates to a case in [Kenya](#) regarding IFC investments in NewGlobe Schools, which owned Bridge International Academies, the largest chain of low-cost private schools in Africa. The investigation responds to allegations of child sexual abuse at Bridge schools in Kenya. CAO is now monitoring IFC's implementation of a Management Action Plan, which addresses CAO investigation findings and recommendations. Meanwhile, we continue to move forward six other cases related to Bridge. This report includes a write-up about the Bridge cases: the gravity and importance of these cases are unequivocal.

In addition to the investigation reports, we also released our annual compliance ‘omnibus’ **report**, which summarized the status of implementation of IFC management actions in response to eight of CAO’s investigations. Additionally, we published one individual report for a case in **Togo**. Transparency in our reporting is a key priority and we invite you to share your feedback on our reports.

These efforts to improve our efficiency and responsiveness go hand-in-hand with being able to effectively help address the harms that complainants have brought to our attention. It is critical that we also focus on impact and answer the question: *how do we know CAO processes are making a tangible difference for project-affected communities?*

To this end, we have begun piloting a set of effectiveness indicators to assess our impact. These indicators focus on case outcomes, enhanced environmental and social performance of IFC and MIGA, and improved systemic environmental and social learning, and are informed by both qualitative and quantitative information from parties involved in our cases. This report highlights key aspects of the effectiveness indicators we have developed, and our monitoring and evaluation approach, which we will begin reporting on in the year ahead.

While we are undertaking efforts to report our own impact, a key aspect of our work since we “opened our doors” in 1999 has been to extract data and insights from our caseload to inform and advise IFC and MIGA on their environmental and social approach. Throughout the years, our advisory work has helped shape pivotal milestones for IFC and MIGA, particularly their Sustainability Framework, and this year was no different. We

have engaged with IFC and MIGA to inform their approach to remedy and responsible exit, including convening a cross-functional working group on these topics and holding regular meetings with the institutions’ technical teams. We produced an advisory note this year on **Responsible Exit: Insights from CAO Cases**, which is the fourth note in our series of advisory insights on **remedy and responsible exit**. We will continue to engage with IFC and MIGA in the upcoming year as IFC implement their Responsible Exit Principles and finalize their Remedial Action Framework.

I am proud to share that this coming year marks CAO’s 25th anniversary. With more than 235 cases handled since our inception in 1999, we invite you to join us over the coming months as we explore trends and pivotal cases that have helped shape CAO’s work and the work of IFC and MIGA.

To conclude, I would like to share my thanks and gratitude with our stakeholders: to our complainant communities for their continued perseverance, and the trust we ask them to place in CAO, and thanks to the civil society partners who provide much needed support to those communities. To IFC and MIGA, their clients, and other stakeholders involved in CAO processes for their constructive engagement with us over the past year. And finally, I would like to recognize the CAO team for their commitment and dedication which drives CAO.

As always, we invite your feedback so we can continue to strengthen our effectiveness and catalyze positive, shared outcomes through our work.

Best,

Janine



# CAO's Strategic Priorities

Our workplan, activities, and resources are guided by our FY23–FY25 **Strategic Priorities**:

1. **Effective case handling:** Reduce backlog of cases, ensure **CAO Policy** timelines are met, and facilitate access to remedy.
2. **Capture knowledge for impact:** Leverage insights from CAO's casework to increase learning on critical environmental and social topics.
3. **Strengthen engagement:** Work with internal and external stakeholders to enhance awareness, understanding, and trust in CAO's purpose and value.
4. **Enhance staff capacity and work environment:** Expand and deepen the skills and experience of CAO staff and consultants.
5. **Implement efficiencies in CAO operations:** Streamline processes, reduce time delays, and effect cost savings.

To implement these priorities, we develop an annual work plan and budget, which is approved by IFC's and MIGA's Boards. Additionally, to support implementation of our Strategic Priorities, we have also established a monitoring evaluation framework to report on our efficiency, productivity, and effectiveness at achieving our mandate (see pp. [38](#)).

This Report documents progress in meeting our Strategic Priorities, including details about outcomes of our case handling; as well as our advisory work; communications and outreach efforts; monitoring and evaluation outcomes; workplace enhancements; and resource management.

## Highlights in FY24 include:

- Reduction in case backlog<sup>1</sup>—from 58 percent in FY21 to **11** percent FY24
- **16** new eligible complaints, a 60 percent increase from FY23
- **13** assessments completed
- Dispute resolution agreements reached in **7** cases
- **5** compliance appraisals completed; **6** investigation reports for factual review and comment; **4** investigation reports published; compliance monitoring reports published for **9** cases
- **1** new advisory note published on responsible exit
- **3** outreach events covering the Asia-Pacific, Middle East, and Eastern Africa regions
- **7** new employees joined the team
- **100** percent implementation of our budget

<sup>1</sup> Case handling timelines have been strained by various factors in recent years and we have been working to reduce this backlog of cases.



# Our Caseload: Facts and Figures

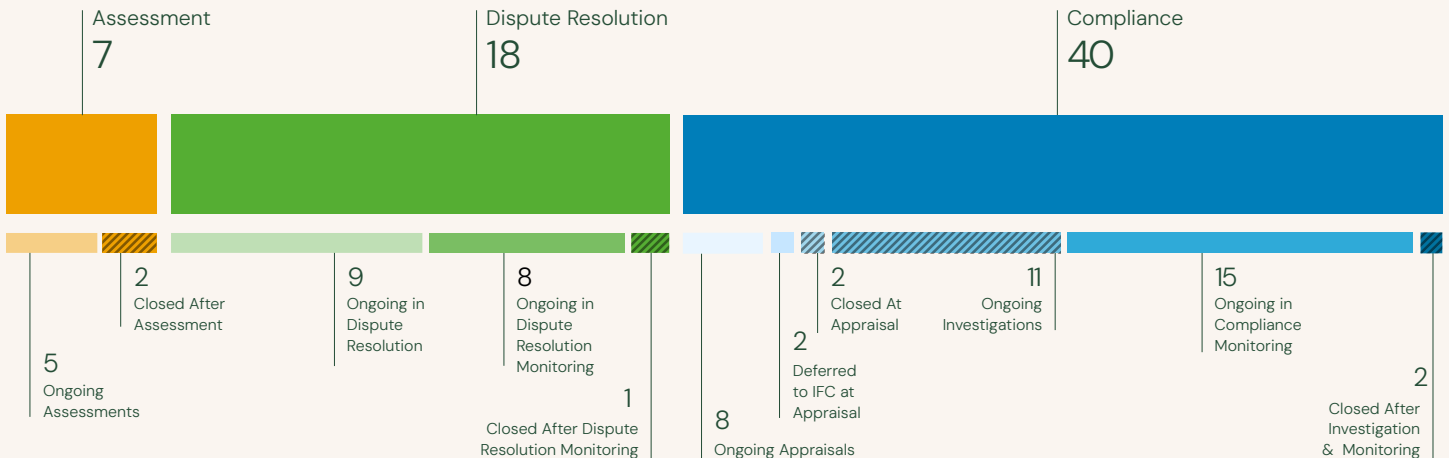
This year, we managed 65 cases from 27 countries.

We worked with communities, companies, civil society, and other stakeholders to assess new complaints, facilitate dialogue resolution processes, conduct compliance investigations, and monitor outcomes. This section provides a data overview of CAO’s FY24 caseload, including the status of our cases at the end of the fiscal year (figure 1), and cases by institution, region, sector, and environmental & social issues.

## Case Status, End of FY2024

By the end of the year, we were handling 5 cases in the assessment phase, 17 cases in the dispute resolution phase, and 36 cases in compliance review. We closed 7 cases—2 after assessment, 1 after dispute resolution monitoring, and 4 after compliance processes. Our caseload included 2 compliance cases where the decision to investigate was deferred to allow IFC, the client, and the complainants an opportunity to resolve issues directly—a process known as deferral.<sup>2</sup>

Figure 1



<sup>2</sup> CAO may defer initiation of a compliance investigation for up to six months to allow IFC/MIGA, the client, and the complainant to resolve issues directly (see [CAO Policy](#), paras. 98–103).

# New Complaints

## Determining the Eligibility of a Complaint

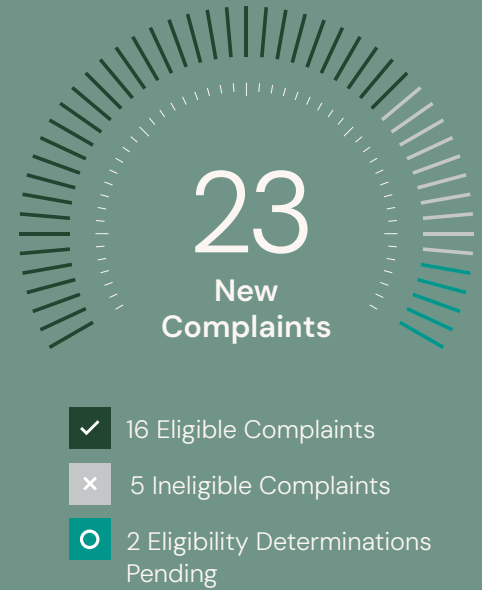
CAO has three simple criteria to determine whether a complaint is eligible:

- The complaint relates to an active IFC or MIGA project.
- The issues raised in the complaint pertain to CAO’s mandate to address the E&S impacts of the project.
- The complainant is or may be affected by the harm raised in the complaint.

This year, we received 23 new complaints, in addition to 4 carried over from FY23 for which eligibility determinations were ongoing (figure 2). Of these 27, we completed the eligibility processes for 25 complaints: 20 were deemed eligible (of which 4 were referred to IFC);<sup>3</sup> 5 were found ineligible; and 2 were pending eligibility determinations at the end of FY24. The percentage of new eligible complaints increased from 50 percent in FY23 to 76 percent in FY24. This increase is partially due to repeat complaints related to IFC/MIGA exposure to the [Benban solar park in Egypt](#), Bridge International Academies in Kenya via IFC’s investments in [Learn Capital](#), [Karot hydropower project](#) in Pakistan, and the [Zarafshan wind project](#) in Uzbekistan.

<sup>3</sup> After we accept a complaint, the complainants can choose to engage directly with IFC/MIGA and/or their client in good faith efforts to resolve the issues of concern (see [CAO Policy](#), paras. 38–39). Based on complainants’ preferences, we [referred](#) 4 complaints from Cameroon, Egypt, Uzbekistan, and Zambia to IFC.

Figure 2

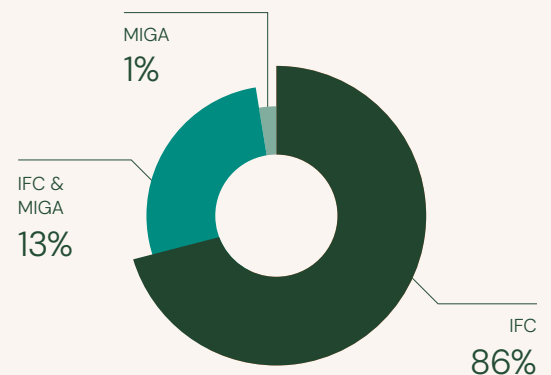


*Note: In addition to the 23 new complaints we received this year, 4 complaints were carried over from FY23 which were also found eligible this year.*

# Cases by Institution

Of the 65 cases we handled this year, 56 relate to IFC projects, 8 relate to joint IFC/MIGA projects, and 1 relates solely to a MIGA project (figure 3). The share of cases involving joint IFC/MIGA projects has doubled since FY22, due to several cases filed about the [Benban solar park in Egypt](#), which is supported by three active IFC investments and 12 MIGA guarantees. Other joint IFC/MIGA projects include the [Nachtigal hydropower project](#) in Cameroon, the [Adjaristsqali hydropower development](#) in Georgia, and the [Bujagali hydropower project](#) in Uganda.

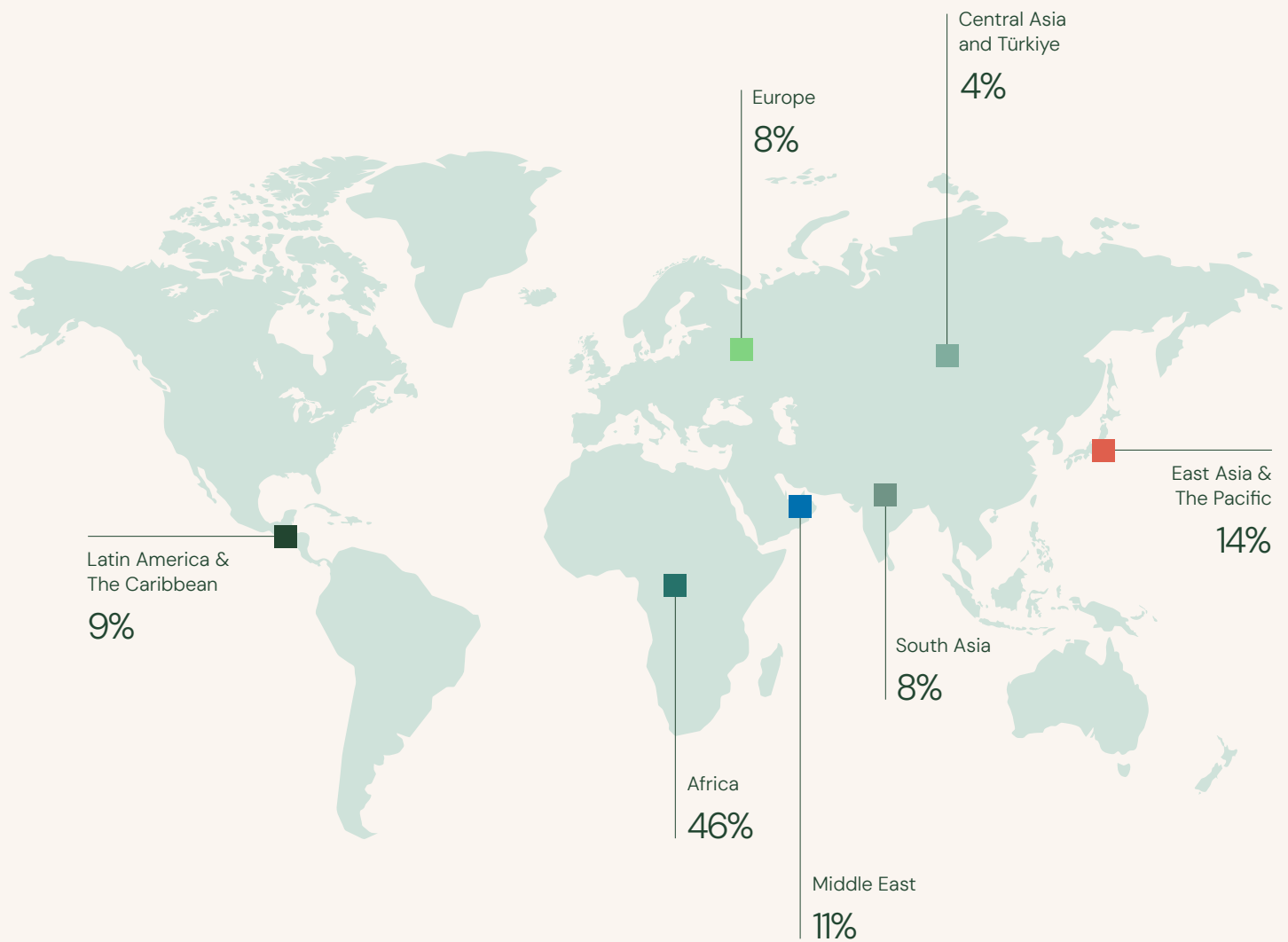
Figure 3



# Cases by Region

The majority of our caseload (46 percent) is from Africa, including North Africa and Sub-Saharan Africa. East Asia and the Pacific is the second largest region in our caseload, at 14 percent. In recent years, we have received a higher volume of complaints from Africa, which may reflect IFC's larger portfolio in that region. However, some regions with smaller IFC portfolios account for a relatively larger share of our caseload, as in the Middle East region (map 1).

Map 1





# Environmental & Social Issues

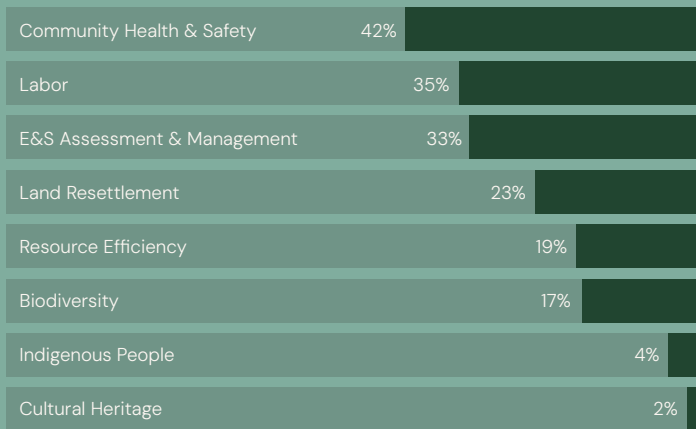
Understanding and analyzing the types of concerns that communities are raising with CAO helps us identify trends and improve our effectiveness. This information is also critical to helping IFC and MIGA when they consider ways to improve their systematic environmental and social performance. When we receive a complaint, we track issues of concern using indicators that align with the [IFC/MIGA Sustainability Framework](#), including the eight [Performance Standards](#).

This year, we analyzed intake data for environmental and social issues for all eligible complaints from FY20 through to FY24 (figure 4). Nearly half (42 percent) of the complaints raised related to community

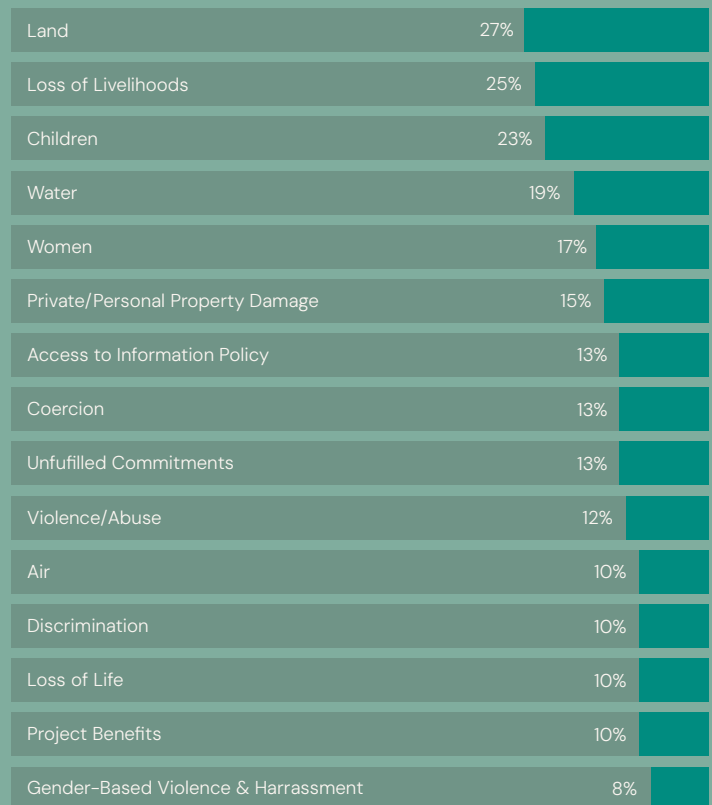
health and safety, while 35 percent raised labor-related concerns. Complainants raised concerns related to environmental and social risk assessment and management in 33 percent of cases, which typically involve matters around stakeholder engagement and/or the quality of environmental impact studies and management systems. For the past five years, issues related to land (27 percent) and livelihood loss (25 percent) have been predominant concerns raised by complainants. In addition, impacts on vulnerable groups, specifically children and women, were raised by complainants in 23 percent and 17 percent of complaints, respectively.

Figure 4

## IFC/MIGA Performance Standards, FY20-FY24



## Cross-Cutting Issues, FY20-FY24

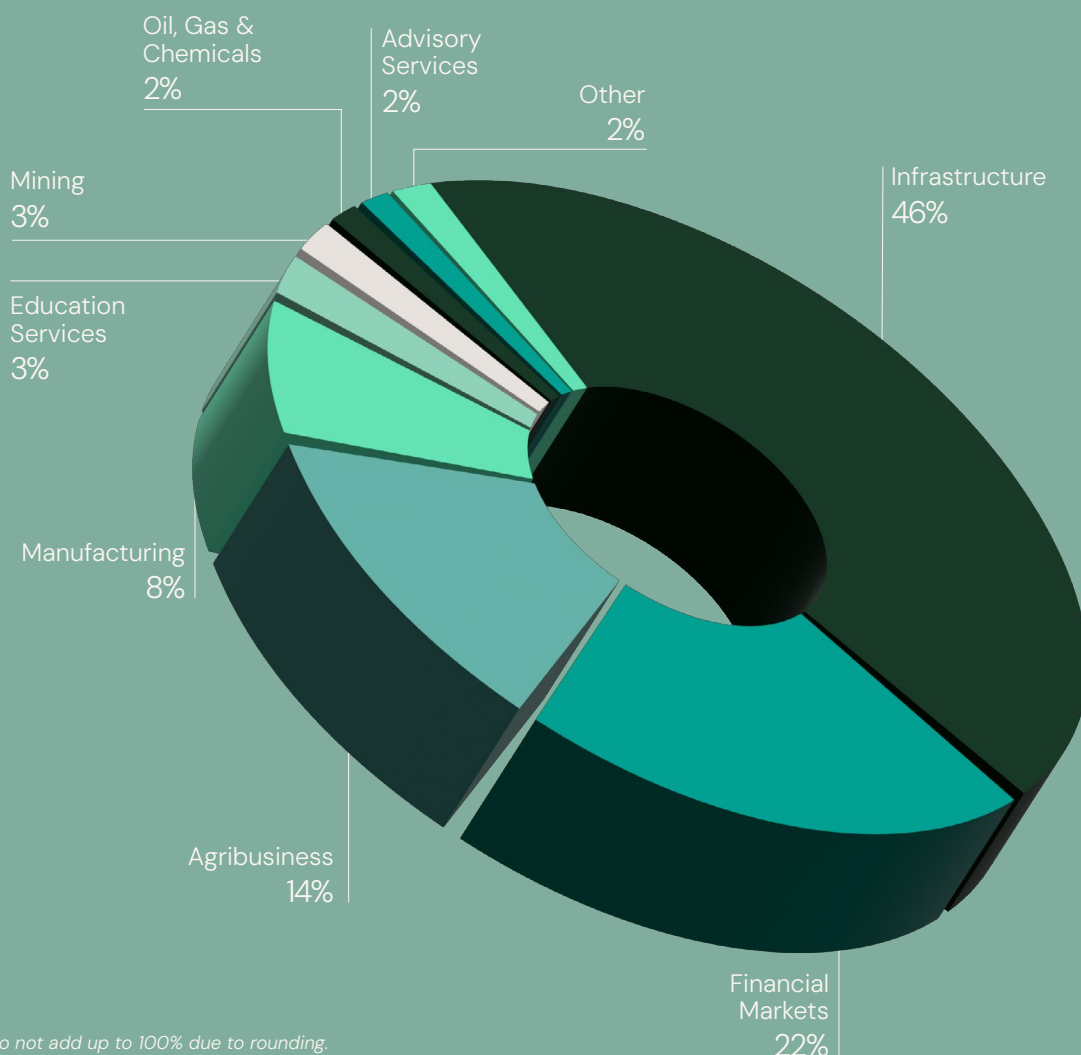


**Note:** Percentages do not add up to 100 percent because the figure shows distribution across complaints and complaints typically raise concerns about several issues.

# Cases by Sector

The largest proportion of our caseload this year (46 percent) related to infrastructure projects (figure 5). These projects are primarily in the power sector, including renewable energy generation such as hydropower, solar, and wind projects—corresponding to 7 percent of IFC’s infrastructure portfolio. By comparison, 22 percent of CAO cases relate to IFC investments in financial markets such as commercial banks, funds, and micro, small, and medium enterprises. Our cases related to financial intermediaries (FIs) primarily concern the environmental and social impacts of FI subprojects in the power, mining, and agribusiness sectors. Overall, the agribusiness sector accounts for 14 percent of our caseload; manufacturing for 8 percent; health and education for 3 percent; and mining for 3 percent.

Figure 5



*Note: Percentages do not add up to 100% due to rounding.*

# Addressing Concerns of Threats and Reprisals

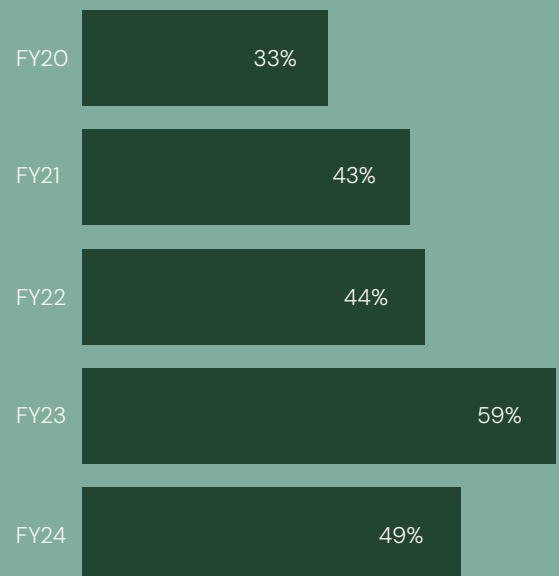
Reprisals against complainants are a widespread global concern, the United Nations [reports](#). We take concerns about threats and reprisals against complainants and any other person involved in a CAO process seriously. People affected by IFC or MIGA projects must be able to raise their concerns freely and without fear. Since threats and reprisals affect access to CAO and our ability to respond to concerns, addressing these issues is at the forefront of our work.

In 2018, we launched our [Approach to Responding to Concerns of Threats and Incidents of Reprisals in CAO Operations](#). We monitor information about threats and reprisals against people who bring complaints to CAO (figure 6). This year, we observed a 10 percent decrease in reported reprisal concerns as 15 cases that logged these concerns in FY23 no longer did so in FY24. Four of these cases had reached agreement through dispute resolution, 2 remain in active mediation, and 1 case was resolved and closed after dispute resolution. We have been closely monitoring the situation in the other 8 cases, where the situation for the complainants reportedly improved without the need for intervention on CAO's part.

Managing risks of reprisals requires working closely with our stakeholders. We are guided first and foremost by the individuals at risk of reprisals and consult with them in relation to any threats and reprisals concerns throughout the CAO process. We also continue to coordinate with IFC and MIGA and their Boards to manage the risks of reprisals for knowledge-sharing purposes. We participate in the reprisals working group of the Independent Accountability Mechanism (IAM) Network. This is a valuable forum for staff of the international accountability mechanisms of various international finance institutions to benefit from peer-to-peer learning and experience.

Figure 6

## Threats & Reprisals Concerns in CAO Cases, FY20–FY24





# Independent Review of CAO's Approach to Threats and Reprisals

This year, we completed an independent [review](#) of our approach to threats and reprisals. Conducted by an external consultant, the review examined the evolution of our procedures and practices related to responding to concerns of threats and reprisals and summarizes developments in the field, including best practices by independent accountability mechanisms. The review also included feedback from civil society organizations and other stakeholders regarding our approach.

We are now implementing recommendations from the review to further strengthen our practice and procedures in managing reprisal risks. Ongoing actions include enhancing our website to improve access to information for complainants; provide opportunities for CAO knowledge-sharing and learning; and improving how staff and consultants approach digital security and risk assessment. Key recommendations from the review are presented in box 1.

## Box 1

### Key Recommendations to Enhance CAO's Approach to Threats and Reprisals

- Make options to file a complaint to CAO more accessible and user-friendly.
- Strengthen data collection and documentation, to allow for more analytical reporting.
- Strengthen tools and actions taken in response, and facilitate CAO learning, knowledge-sharing, and reporting.
- Develop internal protocols for greater understanding of contextual risk.
- Ensure "continuity of care" throughout the case-handling process for affected individuals to maintain relationships of trust established through the process.
- Improve management of security for complainant(s) during field missions.
- Improve digital security through encrypted applications and coordination with the WBG IT department.
- Dedicate additional resources for CAO staff well-being to help address challenges encountered, especially in particularly difficult cases.
- Establish formal and regular channels for cooperation and/or collaboration with other independent accountability mechanisms, IFC/MIGA, and civil society organizations.

### What is "Continuity of Care"?

As a case moves through the CAO process and different staff assume responsibility for the case, extra care and attention is required to maintain communication with the complainant and maintain the relationship of trust that has been established. This is referred to as "continuity of care."

# Understanding the Issues

## Assessment of Complaints

After finding a complaint eligible, we conduct an assessment to better understand the issues raised in the complaint, in consultation with the complainants and IFC/MIGA client (who are the key parties), as well as other relevant stakeholders. During the assessment, we explain the options available to the parties through CAO so that they can make an informed decision about whether to address the concerns through a dispute resolution or compliance process.



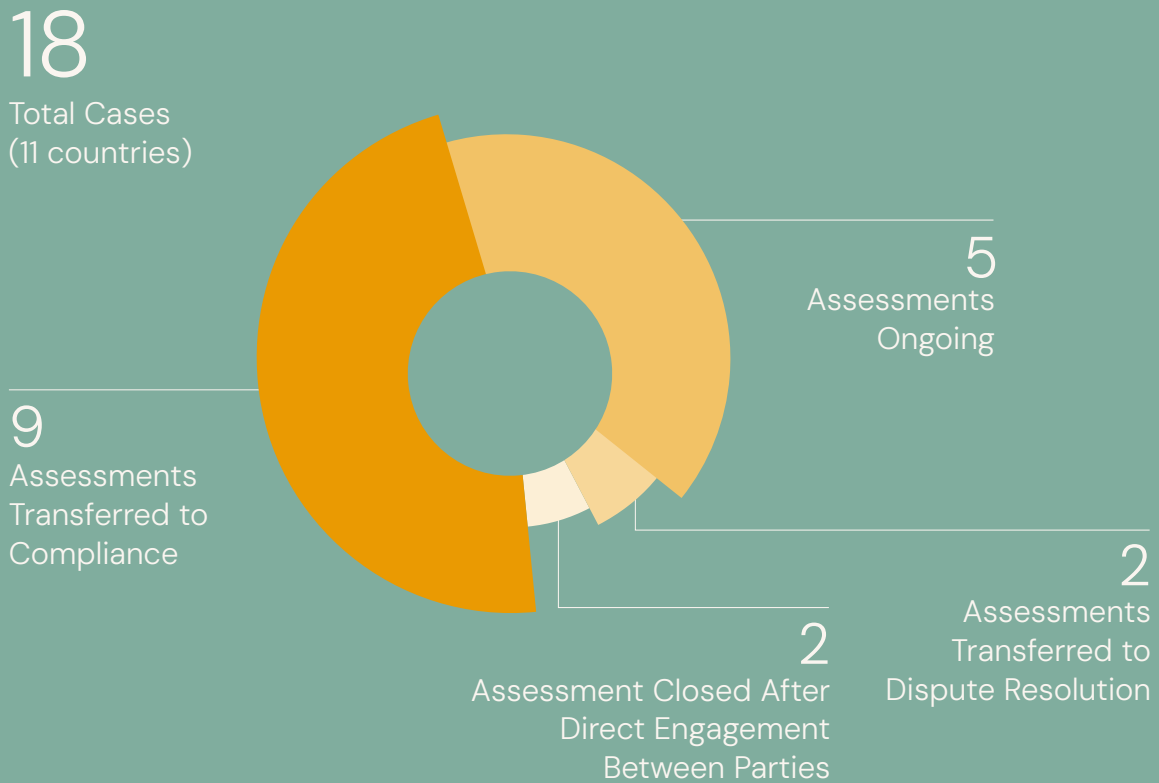
During the assessment of a complaint concerning the Port of Lomé, Togo, CAO staff meet with complainants to understand their concerns and explain what options are available through the CAO process. (Photo: CAO, 2023)

# Cases in Assessment, FY24

By the end of FY24, we had completed assessments for 13 cases, with another 5 planned for completion in early FY25, for a total of 18 (figure 7). Of the 13 completed assessments, we transferred 2 cases to Dispute Resolution: 1 hydropower project in Pakistan ([Karot Hydro-04](#)) and a wind project in Uzbekistan ([Zarafshan-01](#)). We transferred 9 cases to Compliance related to IFC/MIGA projects in Cambodia ([PSBC-02](#)), Guinea ([Palma Guinée-01](#)), Kenya (Learn Capital [01](#), [02](#), [03](#), [04](#)), Indonesia ([KEB Hana Indonesia Rights Issue IV-01](#)), Nigeria ([Eleme Fertilizer-02](#)), and Serbia ([Morava Corridor Motorway-01](#)).

We closed 2 cases after assessment, including 1 case in India ([DFCCIL-01](#)), and 1 case in Türkiye ([Asyaport-01](#)). The parties involved in the India case informed us that they reached an agreement directly. The complainant in the case in Türkiye withdrew from the assessment process, citing concerns about threats and reprisals.

Figure 7





# Finding Solutions Through Dialogue

## Dispute Resolution

Through our Dispute Resolution function, we work with parties involved in our cases to address the environmental and social concerns about an IFC/MIGA project. Through a voluntary mediation process, our dispute resolution specialists and local mediators help build the capacity of parties to contribute to meaningful dialogue and design a collaborative process where both parties have ownership of the solutions and outcomes. If parties reach an agreement through the dispute resolution process, we monitor the implementation of the agreements and the situation.

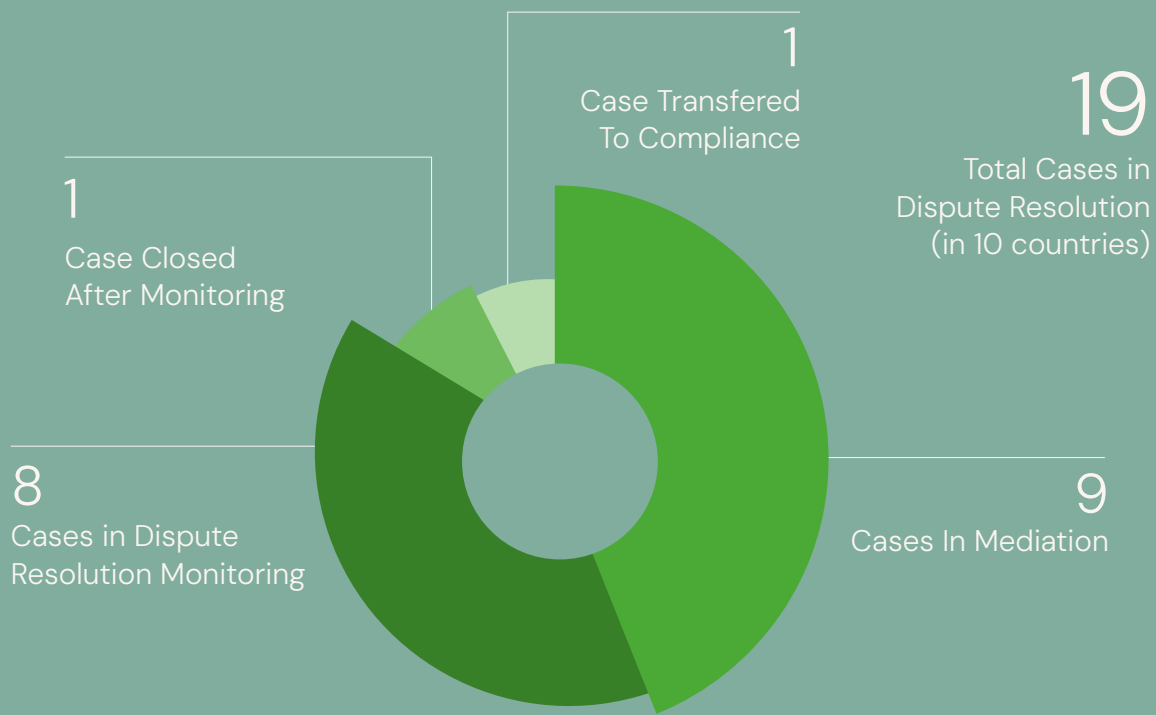


Community members and civil society organization representatives engaged in a CAO dispute resolution process sign a Memorandum of Understanding that includes an agreement to return over 700 hectares of Indigenous land to the affected communities in Ratanakiri Province, Cambodia. (Photo: CAO, 2024)

# Cases in Dispute Resolution, FY24

This year, we handled 19 dispute resolution cases in 10 countries (figure 8). Parties reached final agreement in 7 of these cases, which are now in monitoring along with another case in which we continue to monitor implementation of previous agreements. One **case** was transferred to our Compliance function at the request of the complainants. Of the 9 cases in ongoing dispute resolution, 5 cases reached some form of interim agreement during the year. In addition, we closed 1 case after monitoring successful implementation of the agreements.

Figure 8





# Dispute Resolution Monitoring

## New Agreements Reached

The parties in 7 cases reached final agreement through dispute resolution processes this year and we are now monitoring implementation.

Africa Infrastructure

### Cameroon: Nachtigal Hydropower Project

In April 2022, we received a complaint submitted from community members living near the IFC-supported Nachtigal Hydropower plant in Cameroon. The complaint raised concerns about loss of livelihoods, inadequate consultation, and resettlement related to the project, which will be the most powerful electricity-generating facility in Cameroon when commissioned. Two other IAMs, the World Bank Dispute Resolution Service (DRS) and the African Development Bank’s Independent Recourse Mechanism (IRM), also received similar complaints. The parties agreed to participate in a dispute resolution process for these complaints, and we coordinated with the other IAMs involved to facilitate resolution for those involved. In May 2024, the parties signed a final, confidential agreement to all issues raised in the complaint (see [Nachtigal Hydropower Co-01](#)).



The CAO team visits the Nachtigal Hydropower Project in Cameroon, which is the focus of an ongoing dispute resolution process. (Photo: CAO, 2023)

Africa Infrastructure

### Egypt: Benban Solar Park

Parties reached three agreements related to the Benban solar park in FY24. The first agreement was reached in January 2024 and addresses a labor complaint from two former workers of a subcontractor at the solar plant. The complaint was initially referred to IFC for the complainant to resolve the issues directly with IFC and their client but was later returned to CAO at the complainant’s request ([Benban Solar-05](#)). A second agreement, reached in April 2024, addresses a complaint from a community member regarding a development plan for a village in Benban. We will monitor the agreement through October 2024 ([Benban Solar-04](#)). A third agreement was reached in May 2024 and addresses a 2022 complaint about labor and working conditions from 62 employees of the solar plant ([Benban Solar-01](#)). While monitoring these new agreements, we continue to facilitate dispute resolution processes for an additional 3 cases (Benban Solar-02, -06, and -07). We closed 1 case after assessment in 2023 because the parties resolved the issues directly ([Benban Solar-03](#)).



The CAO team visits the Benban Solar Plant in Egypt. CAO is addressing several complaints about the project, which is supported by IFC and MIGA (Photo: CAO, 2023)



Africa Education

## Kenya: Bridge International Academies

This case is related to IFC's investments in Bridge International Academies, Africa's largest chain of low-cost private schools. In February 2020, we received a complaint from a parent of a student enrolled at a Bridge International Academy in Kenya regarding an alleged electrocution incident that occurred at the school. The parties agreed to engage in a CAO dispute resolution process and, in June 2024, signed an agreement and issued a [joint statement](#). At the request of the parties, the content of the agreement will be kept confidential (see [Bridge International Academies-03](#)). Several other cases related to Bridge are being handled by CAO's Compliance function (see case study on pp. [29](#)).

Africa Infrastructure

## Togo: Lomé Container Terminal

This case addresses a 2018 complaint to CAO from five community groups affected by the development of a transshipment container terminal in the Port of Lomé in Togo supported by IFC. The complainants alleged violation of agreements under a resettlement action plan, impoverishment of local communities, and discriminatory hiring practices, among other issues. In October 2023, we facilitated a joint meeting between the complainants and the company, during which an agreement was reached (see [LCT-02](#)). Two other cases related to the project are in compliance monitoring (see pp. [28](#)).

Central Asia and Türkiye Infrastructure

## Uzbekistan: Zarafshan Wind Power Project

The case relates to the development and operations of an IFC-supported wind power plant in the Navoi region of Uzbekistan. A resident and landlord of the property where the batching plant for the project is operating lodged a complaint with CAO expressing concerns about economic loss to their farmland, biodiversity impacts, soil damage related to dust, and damage to their property due to heavy machinery oil spills. Between January and March 2024, we facilitated two joint meetings and several online and in-person bilateral meetings with the complainant and IFC's client, which resulted in a full signed agreement (see [Zarafshan-01](#)).

### Previous Agreements in Monitoring

Central Asia and Türkiye Agribusiness

## Uzbekistan: Indorama Cotton Sector Project

In another case in Uzbekistan, we continued to monitor agreements addressing concerns about forced and child labor in the cotton sector ([Indorama Kokand Hamkorbank-01](#)). The parties, including Uzbek human rights monitors and IFC clients, Indorama and Hamkorbank, held a closure event in May 2024. We will formally close the case early in FY25 (case study on pp. [19](#)).

## Dispute Resolution Cases Closed

After monitoring the implementation of agreements between the parties, we closed 1 case this year.

Middle East Agribusiness

## Yemen: HSA Foods

We closed a [case](#) in Yemen after monitoring successful implementation of a dispute resolution agreement. The process addressed a 2021 complaint about the impacts of a sugar refining project owned by HSA Foods, a leading food production company in Yemen and an IFC client. IFC participated as an observer in the process and played a role in facilitating the implementation of the agreement because several complaint issues were technical and related to the application of the Performance Standards (see case study on pp. [20](#)).

## Case Study

# How Dispute Resolution Transformed Conflict into Collaboration in the Uzbek Cotton Sector

This year marked a significant achievement in a CAO [dispute resolution process](#) in Uzbekistan, as agreements between Uzbek human rights monitors and two IFC clients, Indorama Kokand Textile and Hamkorbank, were successfully implemented. CAO's dispute resolution process addressed a 2016 complaint from a coalition of nongovernmental organizations (NGOs) on behalf of local human rights defenders and alleged victims of forced labor in the cotton fields. They raised concerns that forced and child labor was being used in Indorama's supply chain and that Hamkorbank may finance companies that use or benefit from forced labor in the cotton system.

Uzbekistan is the sixth largest cotton producer in the world. While the country has embarked on reforms in recent years to modernize its agriculture sector, forced and child labor in the annual cotton harvest were previously prevalent.

At the start of the process, the complainants organized themselves into a "Group in Mediation" and, with the support of professional mediators, we set up separate dialogue processes with Hamkorbank and Indorama. IFC's country office in Tashkent introduced CAO to the government to help pave the way for a constructive process. This engagement helped ensure free movement of the Group in Mediation to engage in the CAO

process and mitigate their concerns about reprisal risks. In addition, [Peace Nexus](#), a Swiss foundation, provided capacity-building, expert support, and funding.

Several years of dialogue followed, navigating complex politics, business, and human rights concerns. For IFC's clients, the process provided an opportunity to sit face-to-face with the complainants and improve their businesses' reputation and systems. For the Group in Mediation, the process created a safe space through which dispersed human rights monitors could harness their collective energies to leverage change. All agreed to work together to improve the situation in the cotton fields. This meant monitoring labor conditions and delivering information the companies could act on. Notably, in 2019, monitoring by the Group in Mediation found no direct or indirect forced labor among Hamkorbank employees, leading to a positive resolution of that aspect of the case in 2020.

The dialogue continued with Indorama, focused on the potential presence of forced and child labor in fields where the company sourced cotton. The Group in Mediation monitored the 2020 and 2021 cotton harvests and found no systemic forced or child labor in the Indorama fields covered by these activities in 2021. After signing a final agreement in 2022, the parties continued working together to monitor working conditions during the 2022 and 2023 cotton harvests. In May 2024, they confirmed the successful implementation of the agreement, concluding our involvement.

To celebrate outcomes from the process, we hosted a panel discussion in Tashkent in September 2023 with the Group in Mediation, Indorama, Hamkorbank, IFC, and the government of Uzbekistan. The event highlighted the power of dialogue to transform conflict into collaboration, build partnerships, and strengthen business sustainability.

"[The CAO process] helped us strengthen our grievance system. We can now proudly say it is one of the best in Uzbekistan," said Amit Jain, Chief Financial Officer, Indorama Kokand Textile. We will issue a conclusion report formally closing the case early in FY25.



Cotton pickers and human rights monitors in Uzbekistan. Through CAO's dispute resolution process, the parties addressed issues of forced and child labor in the cotton fields. (Photo: Stephan Bachenheimer/CAO, 2023)

## Case Study

# A Unique Approach to Facilitating Dialogue in Fragile and Conflict-Affected Situations

After a year of virtual joint and bilateral meetings with the parties involved in a case in Yemen, the CAO Dispute Resolution team knew that the process would struggle to move forward unless in-person dialogue could be arranged. Yet, the options for in-person meetings were limited. Many travel restrictions due to the COVID-19 pandemic were still in place at the time and World Bank Group security did not permit travel to Yemen as the country has been in conflict for a decade.

The dispute resolution process was addressing a [complaint](#) we received in 2021 related to IFC investments in the agribusiness sector in Ras Isa, Yemen. While both the complainant and the company, HSA Foods, expressed interest in engaging in a CAO dispute resolution process, doing so virtually was difficult. The complaint raised many technical issues related to concerns about pollution of air and marine waters in Ras Isa, treatment of industrial wastewater, and related impacts on community health and livelihoods. Moreover, the complainant expressed concerns about retaliation and claimed the company attempted to undermine their professional reputation.

“There were several complexities that we were trying to navigate remotely from Washington, DC,” said Silvia De Rosa, CAO Dispute Resolution Specialist. “These ranged from having limited on-the-ground knowledge and information due to the ongoing conflict in the country to attempting to manage low levels of trust among the parties in a virtual setting.”

Ms. De Rosa explained that CAO’s Dispute Resolution team needed to explore options rarely undertaken in previous CAO cases to help

the parties reach an agreement and put an end to their dispute. One potential solution: holding in-person meetings in a country other than Yemen.

Travel in and out of conflict-affected areas can often be limited and restricted. The safety of all those involved was paramount. After much deliberation, extensive coordination, and preparation with the parties and World Bank Group offices and security specialists, CAO’s team arranged an opportunity for facilitated dialogue among the parties in Amman, Jordan. The CAO delegation included two Jordanians—a mediator, Alma Abdul Hadi Jadallah, and an interpreter, Khaled Shorman—with the necessary cultural and linguistic competencies.

At the request of the parties, an observer from IFC was also in attendance. This was particularly important given that several of the issues raised in the complaint were highly technical in nature and related to the application of the Performance Standards. IFC explained their role in environmental and social performance assessment and monitoring of the client’s IFC-financed projects from appraisal stage till supervision once the project becomes a part of IFC’s portfolio. This clarification provided a level of assurance during the discussions that helped move the dialogue forward between the parties.

Following the in-person meetings in Amman, the parties signed a confidential agreement in November 2022. After monitoring successful implementation, we closed the case in August 2023.



## Highlight

## 2023 Mediators Summit: Building a Community of Practice for Effective Dispute Resolution

The 2023 **Mediators Summit** provided an important opportunity for mediators supporting our cases to discuss complex topics related to dispute resolution, including threats and reprisals, livelihoods restoration, and trauma. More than 20 mediators from across Africa, Asia, Europe, and Latin America, as well as Australia and the United States, attended the Summit.

Events like the Summit are part of our ongoing efforts to strengthen the capacity and knowledge of our global community of mediation practitioners. The Summit allows mediators to share experiences, challenges, and lessons learned in their mediation practices.

Javier Caravedo, a mediator based in Peru with 15 years of experience, shared that the Summit, "... is a moment we can have the space to reflect on the practice, our experiences, and share with colleagues our

doubts, failures, and successes to improve our role as a mediator."

"My work with CAO has enriched my practice," said Tat Lim, a mediator based in Singapore, during the meeting. "I like the opportunities to be involved in making peoples' lives better and to help companies find a solution to what might be a very difficult problem for them to unpack themselves."

Shorena Lortkipanidze, a mediator from Georgia who began work with CAO in 2018, also shared her experience with CAO, explaining: "I feel so much support, empowerment and understanding. It is a very open, cooperative, and transparent environment."

Learn more about the role of mediators in our dispute resolution process [here](#).



CAO's 2023 Mediators Summit brought together more than 20 mediators from around the world to share knowledge and experiences. (Photo: Joseph Grant Ellis/WBG, 2023)



# Enhancing Environmental & Social Performance

## Compliance

Our Compliance function carries out reviews of IFC/MIGA's compliance with their environmental and social policies, assesses related harm, and recommends remedial actions, where appropriate. These efforts are critical in helping to facilitate access to remedy for affected people, enhance project outcomes, and improve IFC's and MIGA's environmental and social performance.



CAO's Compliance team on a field visit to North Kalimantan, Indonesia, in response to a complaint from Indigenous Peoples concerning the impacts of an oil palm plantation. (Photo: CAO, 2024)

# Cases in Compliance, FY24

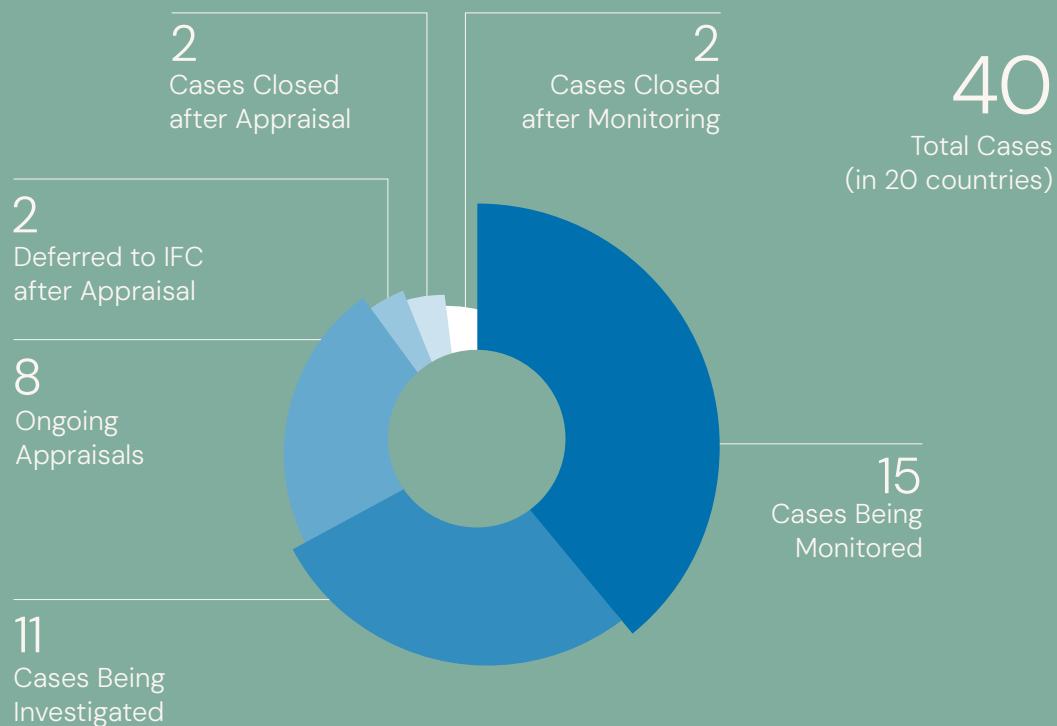
The compliance process at CAO follows a three-step approach:

(1) **compliance appraisal**, which determines whether an investigation of IFC/MIGA's E&S performance is warranted; (2) **compliance investigation** to identify any noncompliance and related harm; and (3) **compliance monitoring** of IFC/MIGA actions to address CAO's findings and recommendations.

This year, our compliance caseload comprised 40 cases in 20 countries (figure 9). Of these, 8 appraisals are ongoing, 2 cases have been deferred to IFC to attempt to resolve the issues before initiating an investigation<sup>4</sup>, 9 are in investigation, 17 are in monitoring, and 4 cases were closed (2 after appraisal and 2 after monitoring).

<sup>4</sup> The 2 deferred cases are from India (**Shapoorji Pallonji-01**) and Jordan (**Daehan Wind Power Co-01**). The cases both raise land-related issues and were originally deferred for six months in FY22 in accordance with the CAO Policy. In FY23, we extended the deferral period for both cases by one year to give IFC additional time to implement the deferral actions. Deferral outcome reports for these two cases are expected in the second quarter of FY25.

Figure 9





# Compliance Appraisals

This year, we completed appraisals for 5 cases. Of these, 2 cases were closed because an investigation was not merited ([Guinea: Palma Guinée-01](#) and [Serbia: Morava Corridor Motorway-01](#)); 1 case ([Togo: LCT-03](#)) was merged with a [case](#) already in compliance monitoring; and we initiated two new investigations ([Haiti: Grupo M and CODEVI II-01](#) and [Indonesia: KEB Hana Indonesia Rights Issue IV-01](#)). Historically, about 50 percent of appraisals result in a compliance investigation.

Africa Infrastructure

## [Guinea: Palma Guinée](#)

In 2013, IFC's Board approved a project for the construction of a five-star hotel in Conakry, Guinea, operated under the Sheraton brand. The project was implemented by Palma Guinée S.A., and in September 2022, the company prepaid the entire outstanding loan balance. In January 2023, we received a complaint filed by an international trade union and a global labor organization on behalf of workers of the Sheraton Grand Conakry Hotel citing labor-related concerns and lack of due diligence to ensure compliance with IFC's Performance Standards. Since the loan was repaid, CAO's appraisal considered whether an investigation would provide value in terms of accountability, learning, or remedial action despite an IFC exit. Ultimately, we decided to not initiate an investigation and closed the case in June 2024 due to IFC's acknowledgement of shortfalls in the investment; the unlikelihood of systemic learning for IFC resulting from an investigation of a single hotel investment; the limited prospects for remedy considering that Palma Guinée declined to take part in the CAO process; and the fact that IFC has no other investments with the company (see [Palma Guinée-01](#)).

Latin America & the Caribbean Manufacturing

## [Haiti: Grupo M and CODEVI](#)

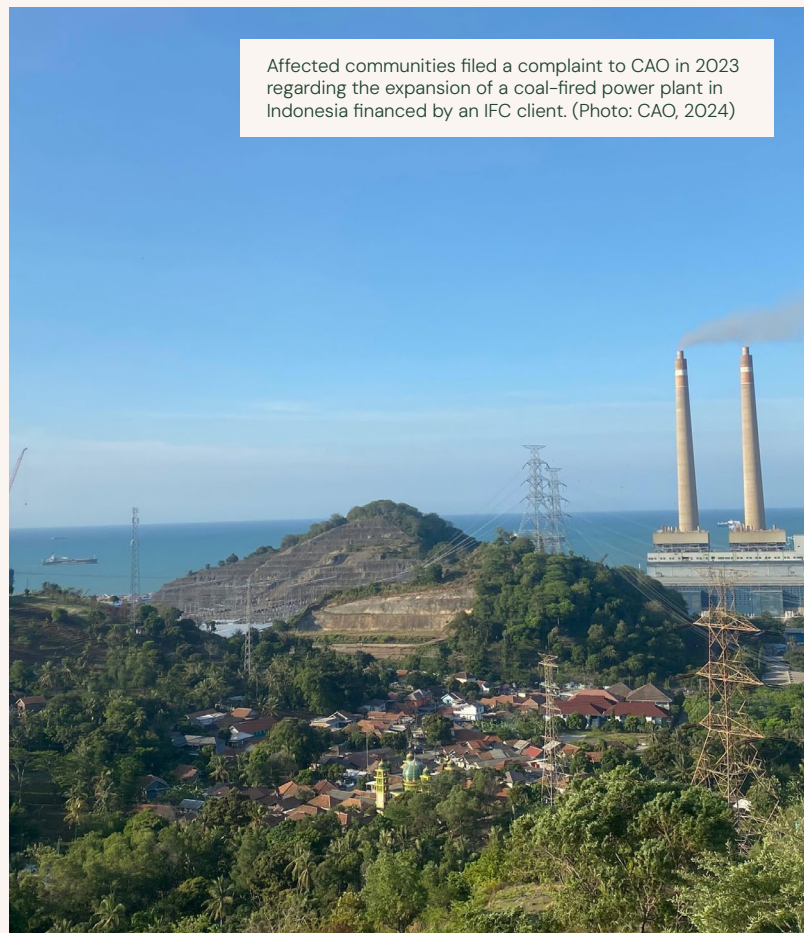
This case involves one of the largest garment manufacturing operations in the Latin America and Caribbean region. IFC's project with Grupo M and its subsidiary CODEVI supported an expansion program including the construction of two new buildings on an existing industrial park. The case was transferred to Compliance after the parties could not reach agreement through dispute resolution. The complainants, farming families residing near the company's facilities, asserted they were not adequately compensated after the land they were cultivating was expropriated in 2002 for Grupo M's development of the industrial park. Although the client prepaid its loan in 2021, our appraisal, completed in April 2024, concluded that an investigation of IFC's performance related to its investment was warranted (see [Grupo M and CODEVI II-01](#)).

East Asia & the Pacific Infrastructure

## [Indonesia: KEB Hana Bank Indonesia](#)

In September 2023, we received a complaint from four civil society organizations on behalf of residents of Suralaya Village in Banten Province, Indonesia, regarding an IFC financial intermediary investment supporting the expansion of a nearby coal-fired power plant complex. The complainants cited several environmental, social, and health impacts related to the construction of the Suralaya plant. During our assessment, the parties decided to proceed with a compliance process. Our subsequent appraisal, completed in June 2024, found that an investigation of IFC's performance was warranted (see [KEB Hana Indonesia Rights Issue IV-01](#)).

Affected communities filed a complaint to CAO in 2023 regarding the expansion of a coal-fired power plant in Indonesia financed by an IFC client. (Photo: CAO, 2024)



Europe Infrastructure

### Serbia: Morava Corridor Motorway Project

This case relates to the construction of the Morava Corridor Motorway, which is supported by MIGA. The complaint, filed in August 2023, alleged loss of development rights, loss of value for land, environmental issues, health and safety concerns, and violations of laws and standards in relation to the construction of the corridor and the expropriation process. While our appraisal found preliminary indications that MIGA might have failed to ensure the project met all the relevant requirements of Performance Standard 5 on Land Acquisition and Involuntary Resettlement, it did not conclude there were preliminary indications of harm or potential harm concerning compensation for land and the expropriation and relocation process. Therefore, we decided to close the case (see [Morava Corridor Motorway–01](#)).



CAO received a complaint from riverine settlers in the Port of Lomé, Togo, regarding land erosion in their communities that they allege has affected their livelihoods. (Photo: CAO, 2023)

Africa Infrastructure

### Togo: Lomé Container Terminal

The case relates to an IFC project supporting the development of a container cargo terminal within the Port of Lomé in Togo. The complaint, filed by residents of six coastal villages, raised concerns about coastal erosion impacts, community division, and safety similar to an ongoing case currently in monitoring ([LCT-01](#)). Following completion of an appraisal in November 2023, we merged the two cases (see [LCT-03](#)). We are handling a third [case](#) related to the project, where we are monitoring agreements reached through dispute resolution (see pp. [18](#)).

# Compliance Investigations

We published four investigation reports this year following Board approval of IFC's Management Action Plans related to the cases:

Africa Manufacturing

## [Egypt: Alex Dev Ltd](#)

This investigation responded to two complaints filed in 2017 from former employees of a cement manufacturing plant in Egypt raising labor concerns. We completed the investigation and submitted our [report](#) to the IFC Board in March 2023. Key findings included IFC's lack of consideration for the company's compliance with relevant national labor law and lack of supervision of the retrenchment process affecting the complainants to ensure compliance with IFC standards. IFC and CAO issued a [press release](#) in November 2023 following Board approval of IFC's [Management Action Plan](#), which outlined actions in response to our systemic, but not project-level, recommendations (see Alex Dev Ltd-[02](#), [03](#)).

Africa Education

## [Kenya: Bridge International Academies](#)

This investigation responded to concerns regarding child sexual abuse at Bridge schools in Kenya. We completed our investigation and submitted our [report](#) to the IFC Board in October 2023. Key findings included IFC's lack of consideration of the project's potential child sexual abuse risks and its client's capacity to satisfy environmental and social requirements in relation to child sexual abuse risks and impacts (see [press release](#)). The Board approved IFC's [revised Management Action Plan](#) in March 2024 in which IFC commits to implement remediation and prevention programs for survivors in Kenya. We have designed a detailed monitoring framework to oversee effective implementation of IFC's action plan. This framework, which is a pilot approach for more meaningful and timely monitoring of [Management Action Plans](#), was prepared in consultation with IFC, Board members, and other stakeholders (see case study on pp. [29](#)).

East Asia & the Pacific Agribusiness

## [Myanmar: Myanma Awba Group](#)

This investigation responded to a 2017 complaint from communities in Myanmar regarding the impacts of an agrochemical manufacturing company, Myanma Awba Group. We completed our [investigation](#) in September 2023. Key findings included shortcomings in IFC's pre-investment due diligence and supervision of its client's agribusiness operations, which failed to properly evaluate the impacts of an existing pesticide plant and proposed neighboring agrochemical facility. The investigation also found that IFC failed to disclose key environmental impact assessments and update the implementation status of the project's E&S Action Plan (ESAP), as required by IFC's [Access to Information Policy](#). While the Board [approved](#) IFC's [Management Action Plan](#) in June 2024, IFC developed it without being able to consult the complainants given the security situation in Myanmar. We will keep the case open in monitoring for five years to allow IFC to formulate project-level actions once the security situation improves (see [Myanma Awba Group Company Ltd.-01](#)).

Africa Mining, Oil, Gas & Chemicals

## [South Africa: Lonmin Platinum Mine](#)

We initiated this investigation following a violent labor dispute at a platinum mine in South Africa. We completed the investigation and submitted our [report](#) to the IFC Board in June 2023. Key findings included IFC's noncompliance with its E&S oversight requirements during both pre-investment review of its client, Lonmin, and supervision of its client throughout the investment. Given the time that has passed since IFC divested in December 2015, and the subsequent change in ownership of the mining company, we determined there was limited scope to make project-level recommendations. However, we did make institutional-level recommendations. The Board approved IFC's [Management Action Plan](#) in December 2023 (see [press release](#)). We are now monitoring the case (see [Lonmin-02](#)).



# Compliance Monitoring

Compliance monitoring is the last phase in CAO's compliance process. This final stage is critical to achieving redress for complainants through remedial actions to address project-related harm and institutional-level improvements to enhance IFC/MIGA E&S performance. Following an investigation, our role is to monitor the effectiveness of implementation of IFC/MIGA Management Action Plans in response to our findings and recommendations.

At the end of FY24, 15 cases<sup>5</sup> were in compliance monitoring. We released updates on 8 cases from Africa, South Asia, and Latin America in our May 2024 [Omnibus Compliance Monitoring Report](#). Three of these cases involve subprojects financed by IFC FI clients, four involve IFC investments in agribusiness, manufacturing, and infrastructure sectors, and the eighth case concerns an IFC Advisory Services project. We also produced one stand-alone monitoring [report](#) for a case in Togo ([LCT-01](#)).

Following publication of the Omnibus report, we closed 1 case from India regarding IFC FI investments in a coal-fired power plant ([India Infrastructure Fund-01](#)). The case closed with an unsatisfactory rating as there was no further action to address project-level findings due to the client's divestment. We also closed 1 case from Nigeria ([Eleme Fertilizer-01](#)), with a satisfactory rating after IFC implemented Management Action Plan commitments at the project level. Six other cases remain open while we continue to monitor project-level and/or systemic-level actions by IFC.

<sup>5</sup> Please see our [Monthly Case List](#) for the full list of the 15 cases in compliance monitoring at the end of FY24.



CAO team meets with Ngäbe and Buglé community members in Norte de Santa Fé, Panama during a compliance monitoring field visit related to the Panama Transmission Line IV investigation. (Photo: CAO, 2023)

Table 1

Status of CAO Monitoring of IFC Responses to Project-Level and Systemic-Level Commitments, End of FY24

| Case   | Sector            | Region                    | IFC Status               | CAO Rating   |
|--|-------------------|---------------------------|--------------------------|--|
| <b>India:</b><br>Tata Tea <a href="#">01</a> & <a href="#">02</a>  | Agribusiness      | South Asia                | Active project           | Project level: Open  |
| <b>Kenya:</b><br>Bidco <a href="#">01</a> & <a href="#">04</a>   | Manufacturing     | Africa                    | Project exit             | Project level: Partly Unsatisfactory, Closed<br>Systemic level: Open |
| <b>Uganda:</b><br>Bujagali <a href="#">04</a> , <a href="#">06</a> , <a href="#">07</a> & <a href="#">08</a> | Infrastructure    | Africa                    | Active project           | Project level: Open<br>Systemic level: Satisfactory, Closed          |
| <b>India:</b><br><a href="#">IIF-01</a>  | Financial Markets | South Asia                | Closed exposure          | Project level: Unsatisfactory, Closed                                |
| <b>Guatemala:</b><br><a href="#">Real LRIF-01/Coban</a>  | Financial Markets | Latin America & Caribbean | Active exposure          | Project level: Open  |
| <b>Guatemala:</b><br><a href="#">CIFI-01/ Hidro Santa Cruz</a>   | Financial Markets | Latin America & Caribbean | Project exit             | Project level: Unsatisfactory, Closed<br>Systemic level: Open        |
| <b>Nigeria:</b><br><a href="#">Eleme Fertilizer-01/Port Harcourt</a>   | Manufacturing     | Africa                    | Active project           | Project level: Satisfactory, Closed                                  |
| <b>Panama:</b><br><a href="#">PLIV-01</a> (Multiple Locations)   | Infrastructure    | Latin America & Caribbean | Active Advisory Services | Project level: Open<br>Systemic level: Open                          |
| <b>Togo:</b><br><a href="#">LCT-01</a>   | Infrastructure    | Africa                    | Active project           | Project level: Open  |

## Case Study

# Bridge International Academies Cases: IFC Investments in Africa's Largest Chain of Low-Cost Private Schools

We advanced several cases this year related to Bridge International Academies, the largest chain of low-cost private schools in Africa. The cases cover a range of concerns raised by parents, teachers, and students in Kenya, including child sexual abuse, teachers' labor conditions, and unsafe buildings and grounds.

IFC [invested](#) US \$13.5 million in NewGlobe Schools, which owned Bridge, between 2013 and 2016. At the time of IFC's investment, Bridge operated 211 schools serving over 57,000 students in Kenya. IFC's objective was to support Bridge's efforts to expand quality education to children from families earning less than \$2 per person per day in Kenya and other markets. Bridge had attracted global attention with their "academy in a box" model, using tablets and scripted lessons as the basis for primary education in Africa. Education advocates meanwhile questioned for-profit private schools as a model for low-income communities and alignment with national curriculum requirements.

In March 2020, against a backdrop of emerging concerns, the World Bank Group froze IFC direct investments in private primary and secondary schools. Two years later, IFC exited its investment in NewGlobe.

We received our first complaint about Bridge in 2018 from a group of parents and teachers. In 2020, while the CAO team was conducting field work in Kenya, community members raised child safeguarding and protection issues, including specific allegations of child sexual abuse by teachers at Bridge schools.

This resulted in two complaints from parents regarding an alleged electrocution incident at a Bridge school and CAO initiated a [compliance investigation](#) on the child abuse allegations.

Our [investigation](#), completed in October 2023, found that before investing in Bridge, IFC's due diligence did not consider potential child

sexual abuse risks or Bridge's capacity to safeguard against such risks. During supervision, despite marginal improvements, IFC failed to sufficiently monitor or substantively address child sexual abuse with its client. CAO is now monitoring IFC's implementation of a [Management Action Plan](#), approved by the Board in March 2024, to address findings at the project-level and across the institution.

Based on CAO's recommendations, IFC committed to directly fund a remediation program for survivors of child sexual abuse as well as child sexual abuse and gender-based violence (GBV) prevention activities. Feedback from stakeholder consultations and an advisory committee will inform the design of both activities.

At the institutional level, IFC is reviewing its portfolio to identify child sexual abuse and GBV risks and determine appropriate risk-management measures. IFC is also expected to hire GBV experts, deliver staff training, and develop tools to address and prevent child sexual abuse and GBV in projects.

"This is a defining moment for IFC to place Bridge students who experienced abuse at the center of the remediation efforts and make systemic improvements to embed child protection and GBV measures in its policies and processes," said CAO Director-General Janine Ferretti.

We continued to advance six other Bridge cases this year. Four are new child abuse complaints now merged with the investigation in monitoring. CAO completed another investigation focused on labor, health, and safety, which is pending IFC's action plan. Finally, CAO facilitated a dispute resolution agreement related to the alleged electrocution incident. Learn [more](#).



# Advice to Enhance Environmental & Social Accountability through Learning

## Advisory

Through our Advisory function, we provide advice to IFC, MIGA, and their Boards to help improve institutional E&S performance. Our work draws from insights gathered from more than 25 years of casework, analysis of IFC and MIGA projects, and global good practices.



Community members in Sangaredi, Guinea, where CAO is facilitating a dispute resolution process. We draw insights from our casework to inform systemic advice for IFC and MIGA. (Photo: CAO, 2023)



# Highlights, FY24

Among the highlights from our advisory work this year, we undertook research to inform IFC's update to its Sustainability Framework, including on specific topics such as climate change. We also continued engagement on IFC/MIGA's proposed Remedial Action Framework and responsible exit approach. On responsible exit, we released a new publication examining IFC's approach to exiting investments through the lens of CAO's complaints and cases over the course of a decade (see highlight, p. [32](#)).

## IFC's Sustainability Framework Update

This year, CAO's advisory team began data analysis, including cross-sector and cross-regional IFC projects. This effort will inform IFC's review and update of its Sustainability Framework in line with CAO's mandate to improve IFC's institutional and project-level environmental and social outcomes. We will prepare a main product focused on the implementation challenges of IFC's Sustainability Policy and Performance Standards and propose practical solutions. In addition, we will develop thematic notes on specific topics, including climate change and financial intermediaries, for release throughout fiscal year 2025.

## Greenhouse Gas Emissions Risk Management

As an input to IFC's forthcoming Sustainability Framework update, we began research related to climate risk management and the role of international finance institutions. To inform this research, CAO hosted a roundtable discussion during the 2024 International Monetary Fund and World Bank Group Spring Meetings to discuss emerging practices of financial institutions related to climate risk management, particularly greenhouse gas emissions. The event brought together more than 20 climate and E&S experts from think tanks, research groups, civil society organizations, academic institutions, joining staff from IFC, MIGA, and the World Bank. The discussion focused on the evolving role of international finance institutions in mitigating greenhouse gas emissions in their portfolios; the implications of net-zero portfolio alignment for their lending and investment activities; what the next generation of IFI policies and standards should look like to achieve the necessary greenhouse gas emission reductions; and best practices in carbon disclosures for their portfolios. The discussion and input from various stakeholders helped inform the development of a CAO advisory note on greenhouse gas emissions risk management, slated for release in October 2024.

## Advisory Highlight

# A Closer Look: Insights from CAO Cases on IFC's Approach to Exiting Investments

In December 2023, we released [Responsible Exit: Insights from CAO Cases](#), the fourth installment in our advisory insights [series](#) on remedy and responsible exit. The report, which aims to inform IFC's evolving approach to responsible exit, analyzed IFC's current approach to exiting investments through the lens of cases handled by CAO over

the past decade from fiscal years 2013 to 2022. The analysis highlighted shortcomings in IFC's current proposed approach to responsible exit and identified challenges that restrict IFC's ability to adhere to its commitments in the Sustainability Policy.

## Data from Exits in CAO Cases, FY13–FY22

- During the timeframe, CAO handled **76 cases** related to IFC investments of MIGA guarantees. Exits occurred in **41 percent of the investments** associated with these cases while the CAO process was ongoing.
- **88 percent** of exits in CAO cases related to debt investments were "early" exits, with IFC or the client ending the investment relationship priority to the loan reaching maturity.
- **60 percent** of the early exits from debt investments took place because the client prepaid the loan.
- CAO receives complaints on an **average of 5.5 years after project approval** by the IFC/MIGA Board, which, considering the typical duration of IFC investment products, presents challenges for addressing project-affected people's concerns.
- In investments where an exit took place during CAO's ongoing case management, **risks of threats and reprisals** had been **flagged in 76 percent** of these cases.

Our research found that exits during active CAO cases are common, and this carries implications for IFC's management of E&S risks, CAO's own accountability processes, and ultimately for providing remedy for project-affected people. Investment exits currently leave IFC with few tools to address clients' outstanding E&S commitments and any ongoing concerns or harm to people and the environment, frequently rendering such concerns or harm unresolved. The harms raised by complainants are often significant and can have far-reaching consequences for those individuals, their communities, and the environment.

In addition to exploring the data surrounding IFC's current approach to exiting investments, we also proposed detailed recommendations for IFC as it finalizes its approach to responsible exit. These included widening the scope of the approach to all investments, tools for leverage, preparation and planning for exit upfront in projects, and addressing existing harm prior to exit.

## What Is Responsible Exit?

Exits are a normal stage in the investment life cycle and can take place at various points during a client project. In a responsible exit, when an investment ends, IFC will have achieved its commitments to do no harm, mitigate E&S risks, and to have harm remediated, in addition to achieving the aims identified for that specific investment.

## Ten Recommendations to Inform IFC's Approach to Responsible Exit

- **Widen the scope** of projects for which IFC's responsible exit framework is applicable to all IFC investments **throughout their life cycle**.
  - IFC's approach to responsible exit should apply to **all investments**, regardless of associated risk ratings and whether or not harm has already materialized.
  - A responsible exit approach entails actions that must be taken **prior to approval of an investment** as well as throughout the investment life cycle.
- **IFC should identify why early exits take place** so commonly during CAO cases and propose to the Board actions that will be taken to address this.
- **IFC should ensure information-sharing, cooperation, and reporting** on exits from investments subject to a CAO case.
- Review, with CAO, the outcomes of **implementing new accountability policy provisions for "early resolution"** of CAO cases through referrals and deferrals.
- Assess and strengthen the current approach to **stakeholder engagement**—both direct engagement and IFC assurance that the client meets engagement requirements.
- In making decisions about whether and how to exit, IFC should consider **potential threats and reprisals risks** for project-affected people.
- **Client commitment to, and existing organizational capacity for, E&S performance** should be a key consideration in the due diligence and supervision of the project.
- **Legal agreements** should be used more effectively to ensure clients meet the Performance Standards.
- IFC should develop a standard approach to considering the institution's **different investment aims** and to addressing E&S risks in exit decisions and planning.
- Address the core elements of responsible exit—**preparation, planning and addressing existing harm prior to exit**—that are currently missing from IFC's draft principles and pilot.

Read our full report on Responsible Exit: Insights from CAO Cases [here](#).

# Partnering to Increase Access and Outreach

Outreach to our stakeholders is critical to raise awareness about CAO's mandate and value. We proactively meet with communities, civil society organizations, IFC/MIGA staff, the private sector, and other stakeholders to enhance understanding of the accountability process and access to remedy through CAO. We often conduct outreach in collaboration with other IAMS and engage experts with in-country and regional knowledge to improve our communication with stakeholders and strengthen our accessibility to potentially affected communities.



During an outreach event in Kenya, the CAO team met with more than 30 regional and local civil society organizations across countries in Eastern Africa to raise awareness about accessing accountability mechanisms. (Photo: CAO, 2024)





We held three hybrid roundtables with civil society organizations this year, including during the World Bank Group–IMF 2024 Spring Meetings. (Photo: CAO, 2024)

## CSO Roundtables and Engagements

We hosted three hybrid roundtables for civil society organizations this year to discuss case updates; our work on **remedy and responsible exit**; advisory work planned for IFC's Sustainability Framework update; and an external evaluation of CAO's approach to threats and reprisals. Attendance averaged 25 participants from global and regional groups. We also participated in the **Civil Society Policy Forum** during the World Bank Group Annual and Spring Meetings, speaking on panels covering responsible exit, IFC investments in education, and disclosure and transparency related to environmental and social impacts of projects. Additionally, we engaged with civil society during a one-day roundtable at the 2023 IAMNet Annual Meetings in London.

## Regional Outreach

Regional outreach efforts this year included a two-day workshop with civil society organizations from seven countries in Eastern Africa. We supported organization of the workshop, which was led by the European Investment Bank's Complaints Mechanism and the NGO, International Accountability Project. A total of nine independent accountability mechanisms participated in the event. Civil society participants from Ethiopia, Kenya, Malawi, Rwanda, Tanzania, Uganda, and Zambia shared their experiences of bringing cases to accountability mechanisms and the challenges they have accessing meaningful remedy and transparent information around development projects in the region (see highlight, p. 37). We also collaborated with other IAMs to hold two **mass outreach online seminars (MOOS)** for the Asia region and the Middle East and North Africa region. The events attracted more than 100 virtual attendees.



We joined 24 other independent accountability mechanisms at the 2023 IAM Annual Meeting in London. The event included a one-day roundtable with civil society organizations. (Photo: World Bank Accountability Mechanism, 2023)

## IAM Network Engagement

We participated in the IAMNet Annual Meeting in London in October 2023 alongside 24 IAMs to discuss challenges and good practices related to remedy, gender-based violence, information sharing, governance, and role of general counsel in IAM processes, among other topics. The meeting included sessions with 19 civil society representatives from organizations worldwide. We participate in several IAMNet Working Groups, which meet regularly to discuss good practices on topics such as outreach; responsible exit and remedy; data; and reprisals. This year, we also worked with the Independent Consultation and Investigation Mechanism of the IDB Group (MICI) to develop the IAM Newsletter, [Accountability Through Dispute Resolution](#), a platform for accountability mechanisms to share their experiences and methodologies in dispute resolution.

In April 2024, we participated in the [International Association for Impact Assessment](#) Annual Conference in Dublin with the IAMs of the African Development Bank, Asian Development Bank, European Bank for Reconstruction and Development, and World Bank. The IAMs jointly hosted a session on accountability in the context of a just transformation, discussing the challenge of reprisals; responsible entry and exit from projects; and the impacts of climate change on communities, including from green energy investments.

## Internal Outreach

We conduct regular outreach for internal stakeholders across the World Bank Group, including staff and the Board of Executive Directors. This year, we participated in four induction events for new staff members and two specific events open for World Bank staff to learn about the World Bank Group's accountability and oversight functions. We also participated in the Board induction program and held several briefing sessions for the World Bank Group Executive Directors and the Board's Committee on Development Effectiveness.



## Highlight

## The Importance of IAM Outreach to Civil Society Organizations

A critical priority for CAO is to regularly conduct outreach to civil society and communities to help build awareness about CAO and the role of IAMs. These outreach efforts are often done in collaboration with civil society organizations and other IAMs.

In June, in partnership with the International Accountability Project and eight other IAMs, we helped organize an outreach workshop in Nairobi, Kenya, attended by more than 30 civil society participants from Ethiopia, Kenya, Malawi, Rwanda, Tanzania, Uganda and Zambia. Some of the three dozen attendees were familiar with IAM processes, but others were not, making mutual misunderstanding all the more likely in a region where the portfolios of international financing institutions are expanding.

“The first challenge is information. It is on the IAMs’ websites. How many people access websites?” said John Mwebe, Program Co-ordinator with the Independent Accountability Project. “For us in civil society, the fact that we even have this conversation is a great step.”

In accessing remedy and accountability, the role of civil society groups is key for communities. It is in everyone’s benefit if civil society groups and communities understand accountability mechanisms and accountability mechanisms understand them. Held over a two-day period, the workshop offered a mix of information-sharing

sessions and small group discussions about the key functions of the IAMs, including filing a complaint, dispute resolution processes, and compliance investigations. Case examples were shared from both the perspectives of the IAMs and civil society.

“It absolutely makes a difference,” said Teresa Mutua, Co-Director of the Communities Program for Accountability Counsel. “People get to hear from the mechanisms themselves, they get to understand the different mechanisms...It gives those working in the overall justice sector another avenue to think about.”

Ms. Mutua further pointed out an important impact of IAM outreach workshops that goes beyond increasing awareness and knowledge as it is an important avenue for sharing of accountability tools and resources. “We have been doing very good things but in a fragmented way. We’ve realized from this outreach, [the] tools that exist amongst us. I find it very useful, especially if we can take those lessons back and they can influence how we do our work.”

Organization of the workshop was led by the Complaints Mechanism of the European Investment Bank, with support from CAO. For a full list of participating and supporting IAMs, [read more](#).



Participants at an independent accountability mechanism outreach event in Nairobi, Kenya. (Photo: World Bank Accountability Mechanism, 2024)

# Monitoring and Evaluation

CAO developed a Monitoring and Evaluation (M&E) approach in 2009 to assess the overall effectiveness of its work. The process allowed for periodic surveys on CAO’s performance from stakeholders involved in our cases to identify areas for improvement. Our M&E approach also includes a Management Action Tracking Record (MATR), an internal tool we report annually to the Boards which helps CAO track IFC and MIGA actions in response to our work. To support the implementation of our Strategic Priorities, we have further developed our M&E approach to report on progress and to assess our productivity, efficiency, and effectiveness in achieving CAO’s mandate.

## CAO’s Monitoring and Evaluation Approach

**1. Productivity:**

Assesses the delivery of CAO’s outputs, including those of which that are case-related and other activities.

**2. Efficiency:**

Examines our progress toward the timelines for case processing as described in the CAO Policy.

**3. Effectiveness:**

Assesses the outcomes that have resulted from CAO interventions.

This year, we also refined our effectiveness indicators which allow us to track progress toward the following expected outcomes:

- Effective resolution of complaints
- Fair, objective and constructive resolution of complaints (related to the case-handling process)
- Enhanced E&S performance of IFC/MIGA projects
- Improved systemic E&S performance through learning
- Enhanced accountability

We are currently piloting the effectiveness indicators and are utilizing both qualitative and quantitative information to document and communicate CAO’s impact. In FY25, we plan to issue a comprehensive report on the results of three years’ implementation of our Strategic Priorities using our productivity and efficiency indicators and select effectiveness indicators.

## Self-Assessment Report 2024: CAO’s Effectiveness Against the United Nations Guiding Principles on Business and Human Rights

In 2022, the Office of the United Nations High Commissioner for Human Rights published the [Remedy in Development Finance](#) report, which set out eight effectiveness criteria in the context of the design and functions of IAMS. The report also included a self-assessment tool for

IAMS to assess their work against 82 indicators. We updated our [self-assessment in 2024](#). The self-assessment tool is an important resource for us to assess our effectiveness and serves as a benchmark for our procedures and practices since implementing the CAO Policy in 2021.



# Financials and Funding

Our administrative budget covers the costs of staff salaries, consultants, travel, communications, contractual services, and administrative expenses. The administrative budget is approved by the IFC and MIGA Boards and includes contributions from IFC and MIGA. This year, we had an administrative budget of US\$10,864,724, a 17 percent increase over FY23, and executed 100 percent of the budget. Our budget increase this year was utilized to fully fund six new staff positions approved by the Boards in FY22, upgrade two vacant positions, and organize CAO’s biannual Mediators Summit.

The figures that follow show trends in our budget, expense categories, and budget execution over the past three fiscal years.

Figure 10

CAO Administrative Budget, FY22–FY24

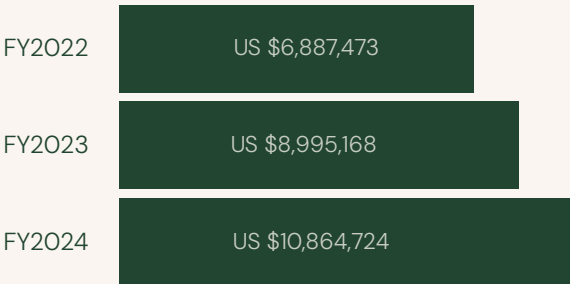


Figure 11

Budget Execution Trends, FY22–FY24

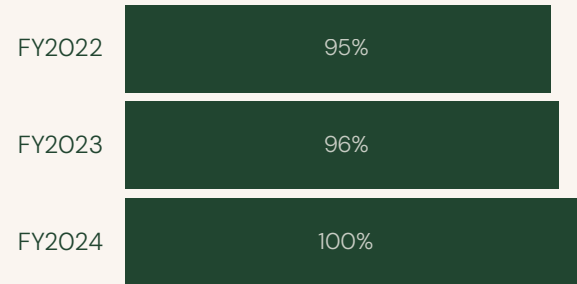
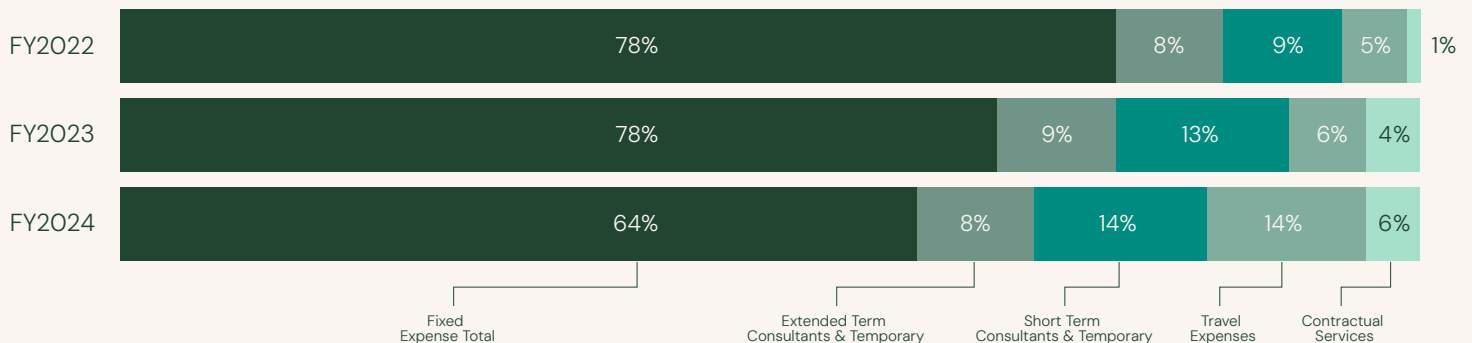


Figure 12

Expense Categories, FY22 – FY24



# Our Team

Our workforce currently comprises 31 staff and 8 extended-term consultants (ETCs), in addition to dozens of specialized consultants, technical experts, and mediators.

We were also in the hiring process for six additional positions by the end of the year.

Our team is regionally diverse, with a significant majority from North America (26 percent), followed by Asia (20 percent), South America and Europe (both 18 percent), Africa (7 percent), Central America and the Caribbean (7 percent), and Oceania (3 percent). Women make up most of our workforce (79 percent).



The CAO team gathers each year for an annual retreat to discuss strategic issues, work planning, coordination, and other topics. (Photo: CAO, 2023)

# Looking Ahead: CAO's 25th Anniversary

More than 25 years ago, community members in Alto BioBio, Chile voiced dissatisfaction with their resettlement related to an IFC hydropower project, the Pangué Dam. The community's concern added to the already persistent call from global and regional civil society organizations to establish an independent accountability mechanism for the World Bank Group's private sector arms, IFC and MIGA. This led to the creation of the Office of the Compliance Advisor Ombudsman. Going beyond a focus only on compliance, CAO's mandate was expanded to also help parties resolve conflict and provide advice to IFC and MIGA to spur broader institutional environmental and social change. It was an innovative and holistic approach to accountability, and one that we continue to this day.

Over the next year, we will mark CAO's 25th Anniversary and we will use this milestone to highlight our efforts since 1999 to address complaints from people affected by IFC and MIGA projects, while also reflecting on the challenges we have faced along the way. We invite you to join us as we explore the impact of our work and consider the future of accountability and access to remedy.





# 25 years: CAO at a Glance

Major achievements include the following:



**235**

More than 235 cases handled—each representing a unique challenge and opportunity to address the E&S concerns of project-affected communities and improve project outcomes

**42%**

Dispute resolution processes conducted for 42% of cases, facilitating solutions that consider the interests of all parties involved

Cases  
handled in  
**61**  
countries

**56%**

Compliance processes conducted in 56% of cases to review IFC/MIGA compliance with E&S policies

**17**

Advisory notes developed guiding better practices across IFC/MIGA development projects

**E&S  
Assessment  
& Management**

cited as the most frequent issue raised by complainants



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