

CAO Update

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



Janine Ferretti Appointed New Head of CAO

Janine Ferretti was appointed on October 27 as the new CAO Vice President. Ferretti, a Canadian and US national, is an environmental and social expert with over 16 years of experience in policy making, and in the design and implementation of development operations for both the private and public sectors. She was most recently a Professor of the Practice of Global Development Policy at the Frederick S. Pardee School of Global Studies at Boston University, where she taught graduate and undergraduate level courses on environment, climate, and environmental and social risk management.

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DISPUTE RESOLUTION

CAO Mediates between Mining Company and Affected Communities in Guinea

CAO is working in Guinea to facilitate a mediation process between a bauxite mining company and IFC client, Compagnie des Bauxites de Guinée (CBG), and affected community members from 13 villages. The process responds to a complaint received by CAO in February 2019 from residents living near the recently expanded Sangaredi mine. With the technical support of three Guinean and international NGOs, the complainants raised concerns about land grabbing and land rehabilitation, as well about impacts to their livelihoods due to poor water access and environmental degradation. In response, CBG reassured the affected communities of its willingness to participate in a mediation process.

While dialogue began in early 2020, it was placed on hold due to the onset of the COVID-19 pandemic. After considering several options, the parties decided to move the mediation process onto an online format which began in August 2020. Since then, CAO has facilitated five online joint mediation meetings that allowed the parties to discuss and finalize a Ground Rules Agreement in December 2020. This agreement will guide their

engagement in discussing and addressing the substantive social and environmental issues raised in the complaint. **More information about the case is available on CAO's website.**



Community members participate in virtual mediation agreement signing ceremony

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CAO Dispute Resolution: Reflections from Practice publications now available in French

All three publications of the CAO's "*Reflections from Practice*" series—which document good practices from CAO's dispute resolution work—are now available in several languages. Translations of the first volume, "*Getting Started with Dispute Resolution*," the second, "*Representation*" and the third, "*Joint Fact-Finding*" are now available in French. [Get the entire series here.](#)

DISPUTE RESOLUTION

CAO Enhances its Online Dispute Resolution Capabilities

The global COVID-19 pandemic has required us to transition casework from field visits and in-person meetings to virtual, desk-based work and video calls. In particular, CAO's Dispute Resolution team and its network of mediators have been working closely with parties in ongoing cases to adapt dispute resolution processes where possible. In a number of cases, this has meant pivoting toward the use of online technology to maintain the momentum for dialogue.

Trust is essential in dispute resolution processes. Connecting virtually presents unique interpersonal challenges, in addition to technical ones. To enhance the online capability of its mediation team, CAO enlisted the guidance of the founding board member of the International Council for Online Dispute Resolution, Daniel Rainey, to share insights, tools, experiences, and good practices in Online Dispute Resolution (ODR). Rainey is currently a member of the board of directors for the Northern Virginia Mediation Service and was one of the instructors for the first online dispute resolution course in the world.

During a training for CAO's dispute resolution team, Rainey described different types of ODR—including video, audio, and text—and highlighted the advantages of using different platforms, while also acknowledging that not all disputes are suited to ODR. Thinking beyond the current COVID-19 context, CAO's dispute resolution team also discussed situations where ongoing use of ODR will help enhance its reach and productivity.

CAO previously used ODR in 2018 to settle a labor dispute in Egypt. Online technology has again proven its worth during the pandemic. In one case, regarding a sugar mill project in Nicaragua, the parties used teleconferencing to discuss possible adjustments to the implementation of a final settlement agreement in light of COVID-19 limitations. In another case regarding a poultry producer in Ukraine, the parties used a video call to continue dialogue as part of an ongoing mediation process. [For more information on changes to CAO's work during the COVID-19 pandemic, visit CAO's COVID-19 hub at \[www.cao-ombudsman.org\]\(http://www.cao-ombudsman.org\).](#)

Ferretti Appointed New Head of CAO from page 1

Ferretti previously worked at the Inter-American Development Bank (IDB) as the first Chief of Environmental and Social Safeguards, where she led a multidisciplinary team of environmental and social specialists in analyzing and supervising IDB operations to ensure their compliance with IDB environmental and social policies. She has a Master's degree in Environmental Policy from York University, Toronto, and a Bachelor's degree in Environmental Studies from University of California, Santa Cruz.

In making the appointment, World Bank Group President David Malpass first thanked outgoing CAO Vice President, Osvaldo L. Gratacós, for his six years of dedicated service at CAO. In appointing Ferretti, he noted that she "has dedicated

her entire career to sustainable development. Her deep understanding of environmental and social risks makes her an ideal appointment as our new CAO VP. Janine knows that people in the countries we serve are our partners in development, and their meaningful participation in our work is vital to our credibility as a trusted steward of development resources, and to achieving good development outcomes."

Ferretti was selected for the position through an international, competitive, and participatory recruitment process. Her immediate priorities, in addition to overseeing CAO's caseload and managing its staff, will be to co-lead the preparation of a new IFC and MIGA independent accountability mechanism policy (CAO policy) including a change in CAO's reporting line from the President to the Board.

CAO Triggers a Compliance Investigation of IFC Agribusiness Investment in Myanmar

CAO is responding to a complaint from local communities in Myanmar regarding IFC's investment in an agro-chemical manufacturer. Following a compliance appraisal, CAO initiated an investigation of IFC's performance related to the project in October 2020.

IFC invested in the Myanmar Awba Group Company Ltd to support expansion of their business. CAO received a complaint in October 2017 from local community members who live near Awba's manufacturing plants. The complaint raised a series of environmental and social concerns including air and water pollution, impacts to health, road access, labor practices, inadequate consultation, and impacts on the livelihoods of ethnic minority groups.

The parties initially attempted to engage with each other through a dispute resolution process to address the complaints. However, the dialogue broke down and the case was

transferred to CAO's compliance function in June 2020. CAO's appraisal raises questions concerning IFC's environmental and social review and supervision of the project, particularly in relation to two pesticide plants. [Details about the scope of CAO's investigation are available on CAO's website.](#)



CAO meeting with community members in Myanmar.

CAO Concludes Monitoring Process of IFC Related to the Yanacocha Mine in Peru

CAO released a compliance monitoring report in December 2020, following its investigation of complaints related to Minera Yanacocha, the operator of a large gold mine in the Andes region of Peru. CAO decided to close the case considering actions taken by IFC to date and since IFC no longer holds an investment in the company.

The investigation responded to two complaints received in 2017 from current and former workers of Minera Yanacocha (Yanacocha-09 and -10) raising concerns about occupational health and safety conditions at the mine, and impacts on their

health. CAO's investigation found that IFC had not assured itself that its client had provided medical information to current and former workers. On the question of adverse health impacts, CAO determined that there was not enough available evidence to verify the complainants' claims. CAO's investigation report and IFC's response were released in February 2020.

CAO's monitoring considered actions taken by IFC to address supervision shortcomings during the period of IFC's financing. During this monitoring phase, IFC obtained documentation that indicated that the company provides medical records to active workers. In an update to CAO, the company noted that, in July 2020, it had a procedure for former workers to request and receive their medical records and that this had recently been communicated to former workers.



Yanacocha mine complex in Peru.

The Yanacocha-09 complainant representative maintains that the former workers have still not received their medical records. However, it is unclear whether they have made a request to the company since the completion of CAO's compliance investigation. The Yanacocha-10 complainant representative asserted that they no longer wanted to be involved in the CAO's mediation process, preferring to pursue a judicial process instead. CAO closed the case in December 2020 concluding that IFC's response to its compliance findings was satisfactory. [More information about these cases is available on CAO's website.](#)

Farewell and Gratitude to Osvaldo L. Gratacós

Osvaldo L. Gratacós ended his term as CAO Vice President on December 31, 2020. Osvaldo served as the head of CAO for six years and was only the second person to lead the CAO office since its establishment in 1999. Having previously worked as Inspector General of the US Export-Import Bank, Osvaldo brought to the CAO significant knowledge and experience working in an independent oversight role. During his tenure, he was able to expand the reach and impact of CAO's dispute resolution, compliance and advisory work, while maintaining CAO's independence and integrity within the World Bank Group. Largely in response to CAO's work in recent years, IFC has significantly enhanced E&S practices related to

financial intermediary (FI) investments, developed new guidance on the use of security forces and reprisals risk in projects, and enhanced procedures for analyzing labor issues in projects. Osvaldo was able to develop strong working relations with IFC and MIGA management, World Bank Board members, and other colleagues over the years through his consistent, resolute, and constructive approach and focus on generating solutions, accountability and learning from CAO's work.

Osvaldo's greatest contribution, however, has been to support countless affected communities around the world through CAO's work. He seemed most comfortable meeting and listening to local

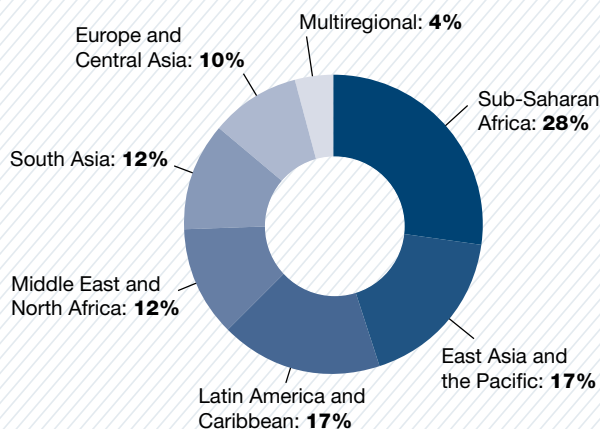
communities in Latin America, Africa, and Asia and was committed to bringing their perspectives and concerns back to Washington to inform decision makers. It is fitting that in his final year, CAO participated in a major Board-sponsored External Review of the environmental and social (E&S) accountability framework of IFC and MIGA, the outcomes of which could lead to strengthening accountability and redress for project-affected communities. CAO staff will miss his open and transparent management style, his active support for staff development, and insistence on work-life balance. They also appreciated his warmth, willingness to listen, and welcoming staff to his home to enjoy the famed Puerto Rican 'lechón asado' barbecues.

CAO CASE TRACKER FY20

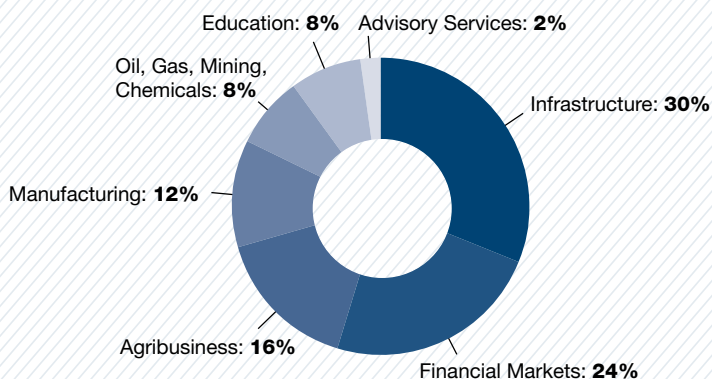
Status as of December 31, 2020. For more information, see www.cao-ombudsman.org/cases

During the second quarter, we accepted two new cases from Argentina and India respectively. Two cases from Jordan and two from Kenya were referred to dispute resolution following assessment, while a case from Pakistan was referred to compliance appraisal. A case from Georgia was transferred from dispute resolution to compliance appraisal and we initiated new investigations related to IFC investments in Liberia and Myanmar. Two complaints were also closed after Compliance Monitoring. At the end of the quarter, CAO's caseload comprised 51 cases in 28 countries.

CASES BY REGION



CASES BY SECTOR



FOR MORE INFORMATION

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