

CAO

THE OFFICE OF THE COMPLIANCE ADVISOR/OMBUDSMAN
2006-07 ANNUAL REPORT



INTERNATIONAL FINANCE CORPORATION
MULTILATERAL INVESTMENT GUARANTEE AGENCY



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THE CAO'S CASELOAD

Since 1999, the CAO has handled 66 cases on 24 different IFC/MIGA projects (see summaries, pp. 16–45). Of these, 64 cases came to the CAO Ombudsman as complaints and 2 cases were brought directly to CAO Compliance by either the World Bank Group President or IFC senior management as requests for compliance audits. Of the 64 complaints, 15 were deemed not eligible for assessment, 1 complaint was withdrawn before assessment, and 48 were assessed by the CAO Ombudsman. Of the 48 complaints that were assessed by the CAO Ombudsman, 35 were closed, 6 were transferred to CAO Compliance, and 7 complaints were undergoing assessment or nearing settlement as of June 30, 2007. CAO Compliance has handled a total of 8 cases; of these, it has conducted 2 compliance reviews, 3 compliance appraisals (1 of which led to an audit), and 4 compliance audits. As of June 30, 2007, CAO Compliance had closed 7 of the 8 cases; 1 compliance audit was ongoing.

THE CAO'S MISSION

The CAO's mission is to serve as a fair, trusted, and effective independent recourse mechanism and to improve environmental and social accountability of IFC and MIGA.

The Office of the Compliance Advisor/Ombudsman (CAO) is an independent post that reports directly to the President of the World Bank Group. The CAO reviews complaints from communities affected by development projects undertaken by the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Fund (MIGA). We work to respond quickly and effectively to complaints through collaborative processes headed by our Ombudsman, or through compliance audits that ensure adherence with relevant policies. The CAO also offers advice and guidance to IFC and MIGA, and to the World Bank Group President, about improving the social and environmental outcomes of IFC and MIGA projects.



CAO consultant discusses the Allain Duhangan hydropower project with community members in Himachal Pradesh, India in 2007.

CRITERIA FOR A COMPLAINT

The CAO responds to complaints from any individual, group, community, entity, or other party affected or likely to be affected by the social and/or environmental impacts of a project supported by IFC/MIGA. The complaint must relate to an aspect of the planning, implementation, or impact of an IFC/MIGA project, and there must be sufficient and specific grounds for a complaint.

MESSAGE FROM THE COMPLIANCE ADVISOR/ OMBUDSMAN



Meg Taylor with members of the Pehuenche community after settlement of the 2002 complaint on the Pangué hydropower project in Chile.

This past year, the CAO changed the way we work.

We took a hard look at what we had achieved over the last eight years, and how well we were doing. Overall, our record is good; we have consistently promoted accountability and responded effectively to complaints. But we believe we can do better.

To start, we reviewed our Operational Guidelines and asked how we could do a better job of managing our twin roles of accountability and dispute resolution. What could we learn from past experience that will improve what we do in the future?

As we explored these questions, we also began to examine our own assumptions of how best to manage conflict at the interface between globalizing capital and the world's poor. We found that we needed to provide a much clearer separation between our role of supporting the parties to resolve complaints versus our role of making judgments of whether there have been policy violations.

This insight, among others, helped us develop a more predictable approach to handling complaints raised by impacted communities. In May 2007, following a 90-day public comment period, we released our new Operational Guidelines, which incorporate several important changes in the way we work.

The CAO Ombudsman role now functions exclusively as a neutral facilitator. The focus is on helping parties evaluate their options for resolving issues, working together to reach mutually agreeable solutions, and providing mediation or facilitation expertise to help parties achieve their desired outcomes. The Ombudsman makes no judgment on whether or not policies have been violated. Instead, it works with the complainants and other parties to the dispute to help them determine their own solutions.



If the parties are unable or unwilling to agree on a way forward, the Ombudsman passes external complaints to the CAO compliance role. This transfer now happens as a matter of course and is a fundamental change from CAO's previous operational procedures. The compliance role has responsibility to make judgments about whether IFC and MIGA are in compliance with relevant standards and guidelines on projects that have prompted complaints or have raised concerns with the World Bank President, IFC/MIGA management, or the CAO.

Monitoring is now an important function for the CAO ombudsman and compliance roles. The CAO Ombudsman monitors settlements to ensure that parties implement any commitments or agreements reached during an ombudsman process. Projects in which an audit has identified noncompliances are monitored by the compliance role to ensure fulfillment of the required policies and standards. This monitoring aspect of our work differentiates the CAO from other recourse mechanisms within the various international financial institutions.

CAO's business is to ensure that the people affected by IFC and MIGA projects are heard, and that outcomes on the ground are positive. We believe that to ensure such outcomes, development impacts should be accounted for at the project level, not only by sponsor companies but also by IFC and MIGA. This approach differs from IFC's current practice of reporting development impacts at an aggregate level. Because institutions make commitments regarding expected development outcomes of projects, the CAO believes those institutions should report back to communities as to whether those outcomes have been realized. The project-level reporting that is now applied by MIGA is a welcome development within this institution, and the CAO encourages IFC to move in the same direction.

While we are certain we do not have all the answers, we do know we are now better equipped to approach conflict in ways that are fundamentally different, more productive, and more attuned to the challenges raised in the complaints.

A handwritten signature in black ink, appearing to read "Mr. Taylor". The signature is fluid and cursive.

September 2007

OVERVIEW OF THE CAO

The Office of the Compliance Advisor/Ombudsman (CAO) was established in July 1999 as an independent recourse mechanism to:

- Help address the concerns of individuals and communities that are affected by IFC and MIGA projects
- Enhance the social and environmental outcomes of IFC and MIGA projects
- Foster greater public accountability by IFC and MIGA.

The CAO is independent of IFC and MIGA management and reports directly to the President of the World Bank Group (see figure 1, p. 5). We play three distinct but complementary roles.

As ombudsman, the CAO attempts to resolve concerns through collaborative problem solving and mediated settlements.

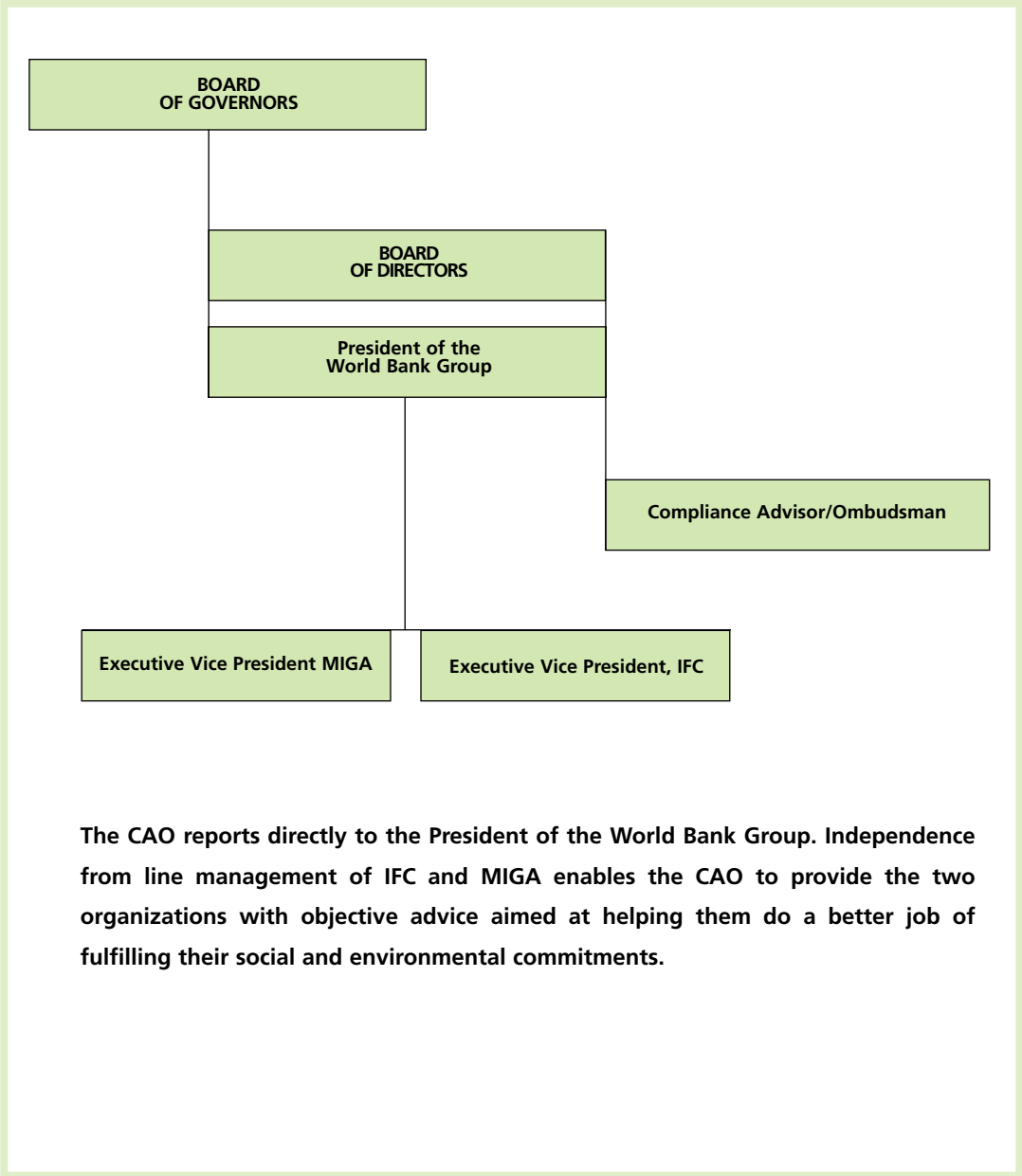
In its compliance role, the CAO conducts appraisals and audits of IFC's and MIGA's social and environmental performance to ensure compliance with policies, guidelines, procedures, and systems.

In an advisory capacity, the CAO provides independent advice to the World Bank President and management on broader environmental and social policies, guidelines, procedures, and resources.



Cajamarca, Peru residents discuss impacts of the Yanacocha gold mine on their livelihoods at a meeting convened by CAO in 2006.

Figure 1. The CAO and the World Bank Group





Balancing the CAO's Three Roles

Developing and balancing the CAO's three roles—ombudsman, compliance, and advisor—poses a unique set of challenges. The roles together provide flexibility of response and a capacity to be proactive. All complaints are first reviewed by the CAO Ombudsman, who helps the parties address the issues jointly and evaluate their options for a mutually agreeable settlement. If the parties are unable or unwilling to seek resolution through an ombudsman process, then the case is transferred to the compliance function for appraisal of whether an audit may be necessary (see figure 2, p. 9). Audits may also be triggered by a request from the World Bank Group President, IFC Senior management, or the Compliance Advisor/Ombudsman herself.

The CAO draws a clear distinction between project-specific advice and policy-oriented and process-oriented advice. Our role is limited to the latter. The CAO does not give project-specific advice. Rather, the advisory role is intended to provide input on broader environmental and social policies aimed at improved performance and development outcomes.

We seek creative and practical proposals for settling issues raised in complaints, and encourage parties to engage in constructive problem-solving and dialogue. Although the CAO cannot compel parties to change their behavior or to abandon existing practices, we can call on IFC and MIGA to urge parties to participate fully in stakeholder negotiations and to implement agreements.

We challenge affected parties to seek their own solutions by promoting an equitable and transparent framework within which solutions can be reached.



Pehuenche community in Chile discuss settlement options regarding the Pangue hydropower project with CAO and consultants.

The CAO considers the interests of all stakeholders on a project, and is committed to ensuring that the perspectives and concerns of local communities and vulnerable groups are taken into account. We challenge affected parties to seek their own solutions by promoting an equitable and transparent framework within which those solutions can be discussed and agreed.

Who We Are

CAO staff members have a broad set of skills and bring in-depth experience and skills from previous work within the private sector (see pp. 48–49). Senior staff and specialists are trained in mediation, dispute resolution, and facilitating compliance and accountability. When specific expertise is required, we hire short-term consultants with relevant expertise.

The CAO relies on a group of **Strategic Advisors** with expertise and insight on issues of process, accountability, and dispute system design (see p. 47).

A **Reference Group** advises the CAO periodically on matters of process and procedure. The group is comprised of diverse and independent professionals from civil society, the private sector, academia, and other institutions. Although the Reference Group does not give project-specific advice, it provides input on various aspects of the CAO's operational procedures and on our contributions to institutional policies and reviews.

Independence from line management of IFC and MIGA enables the CAO to provide objective advice regarding their social and environmental commitments.

The Compliance Advisor/Ombudsman, Meg Taylor, was recommended to the President of the World Bank Group by an external selection team made up of civil society and industry representatives. All CAO senior staff come from outside the World Bank Group.

Confidentiality and Disclosure

Trust and confidence are essential prerequisites for the CAO in helping parties to a complaint identify mutually acceptable solutions. The CAO Ombudsman places the concerns of the affected stakeholders at the center of the complaint resolution process.

The CAO respects requests for confidentiality during assessment and agreement-seeking processes, or during a compliance process.

We are committed to transparency and maximum disclosure of our work. The CAO publicly discloses reports, findings, results of CAO processes, and advisory papers on our Web site and in hard copy. Disclosure of certain reports may be subject to limitations imposed at the request of affected parties.

We have been working with the management of IFC and MIGA to ensure that project staff includes notification of the CAO's existence in all dealings with potential, new, and existing sponsors and clients.



Cajamarca, Peru: Site of the Yanacocha gold mine and three complaints to CAO concerning a mercury spill and the mine's impacts on water quality and quantity.

FY2007 CAO HIGHLIGHT Revising the Operational Guidelines

In 2005, the World Bank Board Committee on Development Effectiveness (CODE) requested the CAO to undertake a review of emerging trends and effectiveness of its operations since its inception in 1999. The 2006 Effectiveness Review of CAO Operations suggests several opportunities for improving our performance and increasing our operational impact.

Two key suggestions were that the CAO further clarify the separation between the ombudsman and compliance functions of the office, and that we revise our Operational Guidelines appropriately.

To address these suggestions, the CAO completed a year-long collaborative process, culminating in a 90-day public comment period, to revise our procedures and incorporate these changes into our operating guidelines. We received extensive input from civil society, IFC, MIGA, and others during the revision process, which greatly improved our original proposals for change. The final revised Operational Guidelines:

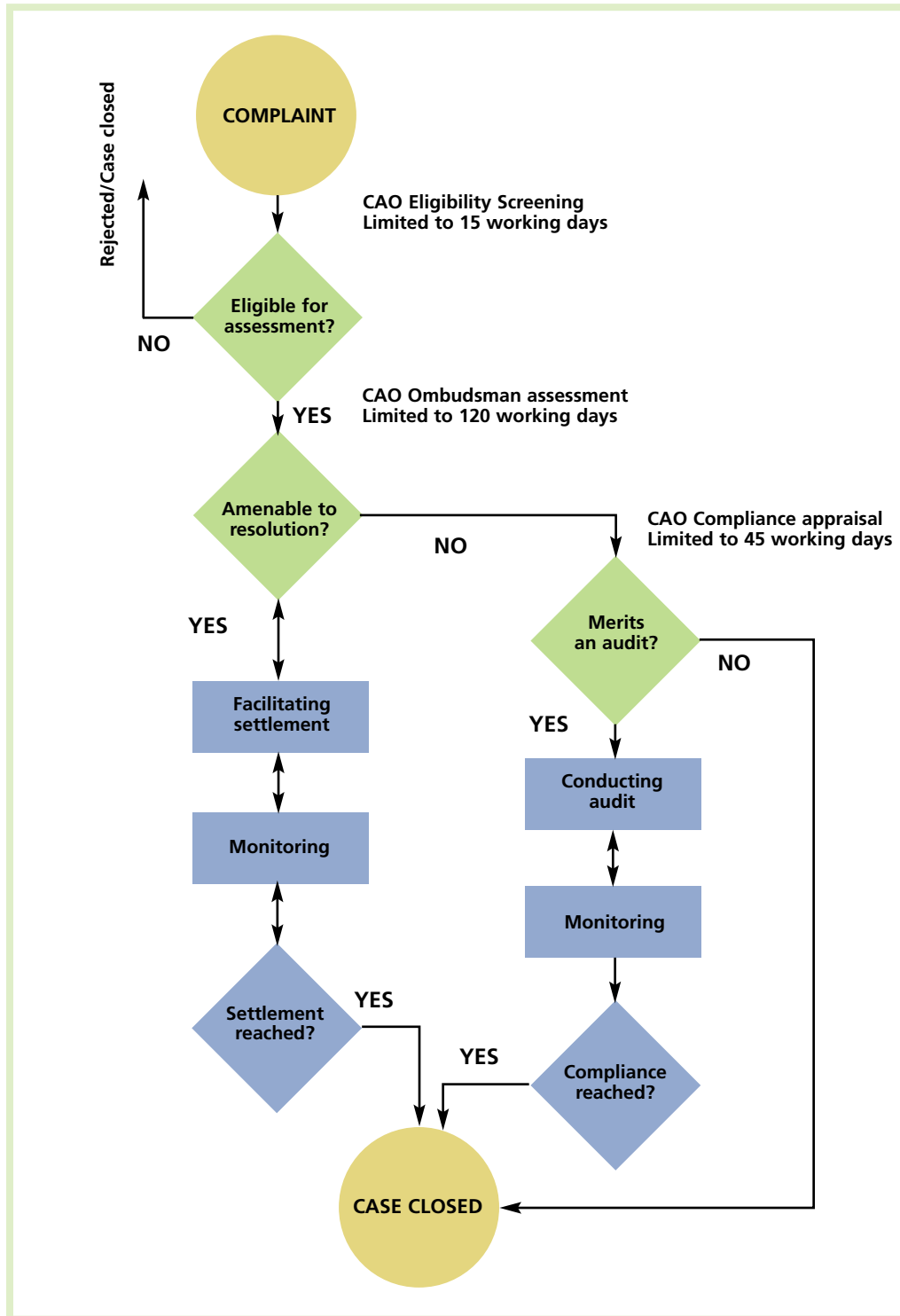


CAO staff and civil society organizations discuss CAO's new case-handling procedures at the World Bank Group's 2007 Spring Meetings in Washington, DC.

- Provide greater clarity about CAO processes and the distinction between its three functions
- Ensure that CAO's ombudsman function remains neutral and unbiased as it explores possibilities for resolution among the parties
- Enhance the CAO's potential to achieve procedural fairness for all involved parties, and
- Open a window following a CAO audit for a sponsor and/or IFC/MIGA to move into compliance.

The CAO Operational Guidelines are available on our Web site and will be published in all official languages of the World Bank Group.

Figure 2. The CAO Process for Handling Complaints



Note: If the complaint includes allegations of fraud and/or corruption, the CAO will refer those allegations to the World Bank Office of Institutional Integrity.



Ombudsman

The CAO Ombudsman works with stakeholders to help resolve grievances about the social and environmental impacts of IFC/MIGA projects and to improve outcomes on the ground. The ombudsman approach involves a process through which parties work together to identify areas of mutual interest, address systemic issues that have contributed to conflicts, and reach agreements that meet the interests of all the parties. The CAO Ombudsman does not impose solutions, find fault, or make judgments about the merits of a complaint.

After receiving a complaint, the CAO Ombudsman first determines its eligibility for assessment. For complaints to be eligible, they must demonstrate that:

- The complaint pertains to a project that IFC/MIGA is participating in, or is actively considering
- The issues raised in the complaint pertain to the CAO's mandate to address environmental and social impacts of IFC/MIGA investments
- The complainant (or those whom the complainant has authority to represent) may be affected if the social and/or environmental impacts raised in the complaint occurred.

The CAO Ombudsman helps resolve grievances about the social and environmental impacts of IFC/MIGA projects and works to improve outcomes on the ground.

The purpose of the assessment is to clarify the issues and concerns raised by the complainant, to gather information on how other stakeholders see the situation, and to help the stakeholders determine whether and how they might be able to resolve the issues.

Based on the results of the assessment process, the CAO Ombudsman will either:

- a) work with the stakeholders to produce an explicit agreement on a process for addressing the issues raised in the complaint, and other issues that may have been identified during the assessment,
- or
- b) determine that a collaborative resolution is not possible. In this case, the CAO Ombudsman will refer the complaint to CAO Compliance for appraisal.

The ombudsman assessment will conclude with a decision whether or not to proceed and a clear outline of the course of action proposed. The CAO Ombudsman will provide an assessment report (including any agreements to proceed with a collaborative process or decisions to refer to CAO Compliance) to the stakeholders, the President and Board of the World Bank Group, and the public.

In FY 2007, the CAO Ombudsman received 8 complaints. Of those, 1 was not eligible for assessment, 7 were assessed, 6 remain open, and 2 have been closed, as of June 30, 2007. These cases are summarized on pp. 17–19.

FY2007 OMBUDSMAN HIGHLIGHT Settling Disputes about the BTC Pipeline

In FY 2007, the CAO Ombudsman helped parties reach agreement on several disputes between communities in the Borjomi region of Georgia and BTC Co. regarding the Baku-Tbilisi-Cehyan (BTC) Pipeline, a 1,760 kilometer oil and gas pipeline that begins near Baku, Azerbaijan, crosses Georgia, and terminates in Ceyhan, Turkey at the Mediterranean Sea.

Tsemi Village, Georgia (BTC Pipeline-22)

In December 2006, the CAO Ombudsman received a copy of a letter to BTC Co., signed by complainants from Tsemi Village, confirming closure of a complaint regarding impacts to their potable water supply. The residents had requested 2 km of new pipe and monetary compensation for reported financial losses due to a decrease in tourism. The CAO began working with the parties in December 2005 to facilitate a settlement, which took place over an eleven-month period. In their letter, the Tsemi residents confirmed that BTC Co. had fully complied with the agreement reached between the parties. Following receipt of the letter, the CAO independently confirmed the authenticity of the letter with residents and with BTC Co. and closed the complaint in January 2007.

Tetrtskaro Village, Georgia (BTC Pipeline-10)

In January 2007, the CAO closed a complaint from residents of Tetrtskaro Village, who filed a complaint in May 2004, alleging that blasting activity carried out by BTC Co. during construction of the pipeline caused cracks in people's homes. Following a settlement agreement facilitated by the CAO Ombudsman, BTC Co. performed additional tests and concluded it could not rule out the possibility that vibration from blasting did not contribute to cosmetic cracking for houses within 188m of blasting locations. Per the agreement, it extended an offer of about \$830 to 16 property owners.

Tadzrisi Village, Georgia (BTC Pipeline-17) In January 2007, the CAO Ombudsman closed a complaint filed in December 2004

by residents of Tadzrisi village, who alleged that BTC construction traffic caused property damage. In a settlement facilitated by the CAO Ombudsman, BTC Co. committed to carry out a comparative study of cracks in buildings along the right of way to those farther away from the right of way. The company agreed to compensate complainants if cracks along the right of way were larger than those in the unaffected buildings. An independent engineering firm, agreed by the parties, carried out the study in August 2006, and concluded there was no difference in crack sizes between buildings in the two locations. The CAO confirmed the complainants' agreement with the findings and closed the complaint.



As part of a settlement facilitated by the CAO Ombudsman in 2006, BTC Pipeline Co. agreed to install a new water pipe for residents of Tsemi Village in Georgia.



Compliance

CAO Compliance oversees project-level audits of the social and environmental performance of IFC/MIGA. The purpose of CAO auditing is to ensure compliance with policies, standards, guidelines, procedures, and conditions for IFC/MIGA involvement, thereby improving social and environmental performance. The CAO aims to enhance the social and environmental outcomes of IFC and MIGA projects on the ground by advancing and fostering adherence to more positive interpretations of IFC and MIGA policies and procedures.

The CAO initiates audits in response to concerns regarding the environmental or social impacts of specific IFC/MIGA projects, or as requested by the World Bank Group President, or IFC/MIGA senior management.

The focus of compliance auditing is IFC and MIGA, and how the two institutions assure themselves of project performance. In many cases, however, it will be necessary to review the actions of the project sponsors and verify outcomes in the field, in assessing the performance of the project and implementation of measures to meet the relevant requirements.

The CAO audits are independent of, but complementary to, IFC's and MIGA's internal assurance efforts.

Since 1999, the CAO has undertaken 8 compliance cases, including 2 compliance reviews, 3 compliance appraisals, and 4 compliance audits. Of the 3 cases that underwent compliance appraisal, 2 were closed following appraisal and

1 proceeded to a compliance audit. These cases are summarized on pp. 42–45. The full audit reports and detailed findings are available on the CAO Web site.

CRITERIA FOR AN AUDIT

The audit criteria for IFC and MIGA include IFC/MIGA policies, performance standards, guidelines, procedures, and requirements whose violation might lead to adverse social or environmental consequences. Audit criteria may have their origin, or arise from, the environmental and social assessments or plans, host country legal and regulatory requirements (including international legal obligations), and the environmental, social, health, or safety provisions of the World Bank Group, IFC/MIGA, or conditions for IFC/MIGA involvement.

The audit will typically be based on a review of documents, interviews, observation of activities and condition, or other appropriate means. The verification of evidence is an important part of the audit process.

FY2007 COMPLIANCE HIGHLIGHT Karachaganak Oil and Condensate Field: Transfer from Ombudsman Complaint to Compliance Audit

In September 2004, the CAO Ombudsman received a complaint (Lukoil Overseas-01/Berezovka) from the civil society organization (CSO) Crude Accountability on behalf of residents of Berezovka in western Kazakhstan regarding Lukoil Overseas Karachaganak Oil and Condensate Field. The CAO Ombudsman worked with the complainants and the company to facilitate a mutually agreeable solution, but the parties were unable to reach a settlement. In August 2006, the Ombudsman concluded its involvement in the complaint and transferred it to CAO compliance for appraisal.

A CAO compliance appraisal is a preliminary investigation to determine whether the CAO should proceed to a compliance audit of IFC/MIGA. The appraisal must remain within the scope of the original ombudsman complaint or compliance request; it cannot go beyond the scope of the complaint or request an assessment of other issues.

Issues that were raised in the complaint by Berezovka residents included risk of impacts to the health of the villagers, emissions to air, water quality, and relocation of villagers.



In April 2007, CAO Compliance began an audit of IFC and their involvement with the Karachaganak Petroleum Operation in Kazakhstan.

The CAO published the compliance appraisal report on April 17, 2007. CAO Compliance determined that the issue related to air emissions fulfilled the criteria for further investigation in the form of an audit of IFC. The other three issues related to the complaint did not fulfill the criteria for further investigation in the form of an audit.

The terms of reference for an audit of IFC were disclosed in June 2007 and, as of June 30, 2007, the audit was ongoing.



Advisor

The CAO Advisor provides a source of independent advice to the President of the World Bank Group and management of IFC and MIGA. The advisory role provides advice regarding broader environmental and social policies, guidelines, procedures, strategic issues, trends, and systemic issues. The CAO does not give project-specific advice but can offer generic advice on emerging or strategic issues and trends, policies, processes, and matters of principle. By drawing lessons and insights, and channeling them back to IFC and MIGA, the CAO advisory role can help reinforce the effectiveness of these institutions.

To date, the CAO has reviewed or offered comments on:

- FY 2002: Independent review of the application of MIGA's Environment and Social Review Procedures
- FY 2003: An extensive independent review of IFC's Safeguard Policies
- FY 2003: Extractive Industries Review (regarding IFC and MIGA oil, gas, and mining projects)
- FY 2006: The January 25, 2006 drafts of IFC's Policy and Performance Standards on Social and Environmental Sustainability and Policy on Disclosure of Information.
- FY 2007: Comments on the Environment and Social Development Department Environmental, Health and Safety Guidelines.
- FY 2007: Comments on MIGA's adoption of the new Environmental and Social Policy and Performance Standards.

The CAO provides a source of independent advice to the President and senior management of the World Bank Group.

These reviews and comments are available on the CAO Web site.



Himachal Pradesh, India: in their complaint to CAO, residents expressed concerns about impacts of the Allain Duhangan hydropower project on forest and water resources.

FY2007 HIGHLIGHT Developing a Performance Evaluation Tool

Based on findings and recommendations of a 2006 review of CAO's effectiveness, the CAO has developed a monitoring and evaluation (M&E) tool that will enable the CAO to receive an ongoing stream of useful information about the outcomes of individual cases, the strength of our revised operational procedures, and our overall value to the stakeholders we serve.

This information will be useful both internally, as a tool for designing improvements to our procedures, and externally, to improve our ability to report on the CAO's achievements. It also will provide a stronger evidence base for future external evaluations.

The M&E tool, which will be applied to each complaint assessed by the CAO, focuses on the outcomes that the CAO must achieve for success in the ombudsman and compliance functions. These outcomes were a result of a year-long process of revising our operational procedures and several workshops facilitated by an independent consultant with expertise in evaluating the effectiveness of dispute resolution systems.

To measure the extent to which CAO achieves these outcomes, the M&E tool will collect case-by-case information from complainants and CSOs that represent complainants, sponsor companies, IFC and MIGA project staff, mediators contracted for ombudsman cases, and CAO Ombudsman and Compliance staff.

The outcomes we seek to achieve, and which the M&E tool is designed to evaluate, are shown in figure 3 on this page.

Figure 3. The Framework for Evaluating CAO's Performance

1. CAO is a known safe and trusted place to lodge complaints
CAO assessments are evidence-based, transparent and fair
2. Parties agree on disposition of the case to Ombudsman or Compliance
CAO compliance audit results in conclusive findings whether conditions for IFC/MIGA involvement were met
CAO ombudsman process results in a quality, interest-based agreement seeking process
3. CAO monitors implementation of agreed solution and takes appropriate remediation
4. CAO processes result in positive development impacts
5. CAO processes result in positive institutional impacts and contribute to the integrity of the institution

S U M M A R Y OF CAO OMBUDSMAN COMPLAINTS FISCAL YEARS 2000–2007

Since July 1999, the CAO has handled 66 cases on 24 different IFC/MIGA projects. The CAO Ombudsman received 64 of these as complaints. The other 2 cases were brought directly to CAO Compliance by either the World Bank Group President or IFC senior management as requests for compliance audits. Of the 64 complaints, 15 were deemed not eligible for assessment, 1 complaint was withdrawn prior to assessment, and 48 were assessed by the CAO Ombudsman. Of the 48 complaints that were assessed by the CAO Ombudsman, 35 were closed, 6 were transferred to CAO Compliance (see summaries, pp. 42–45), and 7 were undergoing assessment or nearing settlement as of June 30, 2007. Summaries of the 64 complaints received by the CAO appear below, grouped by country, in reverse chronological order, according to the year and month the complaint was received.



CAO staff traveled to India in 2007 to listen to the complainants' and the company's views of IFC's Mahindra Farm Services project.

Please note that the CAO has developed a new system for naming cases, which is applied in this report. The new names consist of:

- *the country where the project is located*
- *the IFC/MIGA project name, along with the number of cases CAO has handled on that project*
- *the location of the complainant(s), if their identity is not confidential*

FY 2007 (July 2006–June 2007)

GEORGIA

BTC Pipeline-29/Tsalka

Received August 2006; Pending final settlement

BTC Co. has made a settlement offer to a landowner who filed a complaint in July 2006 regarding BTC Co.'s methods for calculating the value of his leased land, BTC Co.'s restoration efforts on the land, and BTC Co.'s adherence to the Resettlement Action Plan. The complainant received some compensation from the sponsor, but contended for several years that the payments were inadequate and did not meet the terms of BTC Co.'s legal obligations. On May 25, 2007, the CAO facilitated a meeting between the parties in Tbilisi, during which a full and final compensation offer was made to the complainant. The parties have agreed that the terms of the settlement shall remain confidential. The final agreement has been distributed to the parties and is awaiting their signatures.

INDIA

Mahindra Farm Services–04, 03, 02, 01/Confidential

Received October 2006 to March 2007; Open

The CAO received four separate complaints between October 2006 and March 2007 from complainants who have requested confidentiality. Each of the complaints, from both the northern and southern regions of India, alleges that the business practices of Mahindra ShubhLabh Services, Ltd. (MSSL) led to a loss of livelihood for franchisees of the company's Agricultural Service Centers (ASCs), and to loss of income for numerous farmers whom the franchise centers sought to benefit. Today, the company is no longer developing ASCs, but has shifted its business to the retail sale of agrichemicals—some of which the complainants believe are environmentally hazardous rather than "eco-friendly," as the original business model intended. The CAO Ombudsman is currently working with the parties to assess the options for a negotiated settlement.

S U M M A R Y

OF CAO OMBUDSMAN COMPLAINTS

FISCAL YEARS 2000–2007

KAZAKHSTAN

Lukoil Overseas-02/Berezovka

Received April 2007; Open

In April 2007, the CAO received a second complaint regarding the Karachaganak oil and gas condensate field. The complaint was filed by the CSO Green Salvation on behalf of residents of Berezovka, who are seeking relocation of their village because of concerns about air quality and negative impacts to health and safety. The complaint alleges violations by the company of a range of national environmental protection laws and international covenants. In May 2007, the CAO began an assessment of the parties' willingness to negotiate the issues.



In 2006, the CAO Ombudsman facilitated decision-making between Berezovka residents, civil society organizations, and the Karachaganak Petroleum Operation in Kazakhstan.

PERU

Tecnosul-01/Ica

Received November 2006; Not eligible for assessment; Closed January 2007

In November 2006, the CAO received a complaint from a resident near the site of a copper sulfite plant relocation in Ica, Peru. During an assessment of the complaint, IFC clarified that Tecnosul was not an IFC borrower—although the controlling shareholder was a borrower for a separate project, Tecnofil. After investigating the relationship between the two projects, IFC contacted the client's general manager to convey IFC's expectations that, even in the absence of a contractual relationship, Tecnosul would abide by all the necessary administrative procedures governing its plans to relocate its copper sulfate plant to a new site. IFC requested that the company keep IFC informed of its plans, and the company's general manager agreed to do so. The CAO Ombudsman was copied on these communications and closed the complaint in January 2007.

TURKEY

BTC Pipeline-28/Adana & Ceyhan

Received July 2006; Closed February 2007

In July 2006, a Turkish CSO filed a complaint on behalf of fishermen in the Ceyhan Bay, alleging negative economic impacts to fishermen whom BTC Co. had failed to identify as project-affected people. The CAO encouraged a meeting between BTC Co.'s social and environmental specialist, the CSO, and the fishermen to discuss the issues. In September and December 2006, meetings between the company and the CSO were reportedly held. After multiple attempts to contact the CSO for a report on the outcome of those discussions and the status of their complaint, the CSO failed to respond. The CAO informed the parties in advance of its intent to close, and did so in February 2007.

FY 2006 (July 2005–June 2006)

GEORGIA

BTC Pipeline-27/Tbilisi

Received June 2006; Transferred to Compliance September 2006; Case closed and compliance appraisal published April 2007

The CAO received a complaint on June 15, 2006 from a land user who asserted that a land compensation package from BTC Co. did not accurately reflect the true value of his land and that BTC Co. unfairly restricted his access to the land. The CAO Ombudsman was unable to help the parties negotiate an agreement and transferred the case in September 2006 to the CAO compliance function for appraisal. CAO Compliance determined that the issues did not meet the criteria for an audit. As a result the case was closed and the appraisal decision made public on April 17, 2007.



S U M M A R Y OF CAO OMBUDSMAN COMPLAINTS FISCAL YEARS 2000–2007

BTC Pipeline-26/Krtsanisi

Received December 2005; Transferred to Compliance June 2006; Case closed and compliance appraisal published April 2007

CAO received a complaint in December 2005 from residents of Krtsanisi over issues related to air pollution, water access, pipeline safety, participation, relocation, and compensation. BTC Co. was unwilling to negotiate the issues through a CAO ombudsman process, and in June 2006 the complaint was transferred to the CAO compliance function for appraisal. CAO Compliance determined that the issues did not meet the criteria for an audit. The appraisal was completed and published on April 17, 2007. Both the appraisal and the complaint are closed.

BTC Pipeline-25/Vale

BTC Pipeline-24/Vale

Received August 2005; Not eligible for assessment; Closed September 2005

Two confidential complaints were filed by landowners in the village of Vale relating to land compensation. Because the complaints were also being investigated by the Georgian Young Lawyers Association (GYLA), the CAO did not conduct an assessment. However, the CAO Ombudsman agreed to facilitate conversations between the company and GYLA, which subsequently reached agreement on a strategy for resolving the issues.

INDIA

Atul Ltd.-01/ Gujarat

Received June 2006; Closed June 2007

A complaint was lodged by the Brackish Water Research Information Center, a CSO in Gujarat, claiming that the chemical manufacturing project did not provide access to environmental and social documentation. In an agreement facilitated by the CAO Ombudsman, the company agreed to provide environmental and social documentation to the CSO. The complainants confirmed to the CAO Ombudsman that they were satisfied with the information provided. The CAO closed this complaint in June 2007.



CAO listens to representatives of Jagatsukh Village, neighbors to the Allain Duhangan hydropower project in Himachal Pradesh, India.

Ramky-02/Mumbai

Received September 2005; Not eligible for assessment; Closed October 2005

A complaint filed by an Indian CSO, the Corporate Accountability Desk, raised concerns stemming from a previous Ramky complaint filed in August 2005 (see next case). Ramky-02 was deemed not eligible for ombudsman assessment because the CSO was not directly affected by the Ramky project.

Ramky-01/Gummidipoondi

Received August 2005; Not eligible for assessment; Closed October 2005

A complaint lodged by individuals from a community near a potential location for the waste management project raised concerns about the procedure for approving the siting of the facility, as well as concerns about possible environmental impacts resulting from air and groundwater contamination. The CAO Ombudsman forwarded the complaint and supporting documentation to the Director of the IFC Infrastructure Department and requested that the department respond directly to the complainant. The case was closed in October 2005.



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AD Hydro Power Limited-02/Jagat Sukh

Received August 2005; Not eligible for assessment; Closed September 2005

A complaint filed by 35 individuals—different than those in a previous complaint filed in October 2004—raised similar concerns as the first complainants and thus was not eligible for assessment. The CAO Ombudsman closed this complaint in September 2005.

KENYA

AEF Lesiolo Grain Handlers Limited-01/Nakuru

Received April 2006; Not eligible for assessment; Closed April 2006

A complaint filed by directors of the company raised issues regarding the disbursement of funds by IFC. Because these issues are outside the mandate of the CAO, the complaint was forwarded with supporting documentation to the Director of IFC's Global Manufacturing and Services Department, requesting the department to respond directly to the complainant.

PAKISTAN

DJ Khan-01/Kahoon

Received December 2005; Not eligible for assessment; Closed January 2006

The complaint, filed by an Environmental Protection Committee for the region, raised issues regarding the siting of several cement plants and the Environmental Impact Assessments that were completed for them. The CAO did not assess the complaint because the matter is pending in the courts.

PERU

Yanacocha-03/Cajamarca Department

Received March 2006; Closed August 2006

In March 2006 the CAO received a petition for assistance from 30 canal users who jointly submitted a request for CAO assistance in obtaining information about the current and potential impact of mining on the quantity of water in their canals, rivers, and mountain streams. The petition expressed satisfaction

with the collaborative water quality work that stemmed from CAO's four-year dialogue process in Cajamarca (see pp. 38–40), and a desire to continue this type of work through an independent organization such as the CAO. In July 2006, the CAO Ombudsman facilitated an information-sharing workshop with the canal users and representatives from the mine's technical water/environmental staff. During the workshop, the mining company committed to distributing to canal users the final version of an area-wide hydrology report, which was to be published in November 2006 and would contain information and data that responds to the canal users' concerns. The CAO concluded its involvement in the petition, but is continuing to engage with the parties regarding water quantity issues.

URUGUAY

Celulosas de M'Bopicia (CMB) & Orion-01/Argentina and Uruguay

Received September 2005; Transferred to Compliance November 2005; Case closed and compliance audit published March 2006

More than 39,000 people in Argentina and Uruguay signed a complaint in 2005 claiming that proposed IFC and MIGA investments in two pulp mills in Uruguay—the Celulosas de M'Bopicia (CMB) and Orion mills—posed serious environmental and social risks. The CAO assessed the complaint for opportunities to negotiate a settlement. The CAO's preliminary assessment report was distributed to stakeholders, and the CAO Ombudsman function triggered a compliance audit. The audit report was publicly disclosed and the case closed on March 24, 2006.

FY 2005 (July 2004–June 2005)

BELIZE

NOVA Companies (Belize) Ltd. and Ambergris Aquaculture Ltd.-01/ Ladyville

Received January 2005; Not eligible for assessment; Closed January 2005

The complainant, an individual residing near the agribusiness project, raised concerns about the adequacy of IFC's annual environmental and social monitoring reports, as well as concerns about possible environmental impacts to the barrier reef located near the project. Because the complainant



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was simultaneously working with IFC to resolve the issues, the CAO Ombudsman forwarded the complaint and supporting documentation to the Director of the IFC Agribusiness Department and requested that the department respond directly to the complainant.

BOTSWANA

Kalahari Diamond-01/Kalahari

Received November 2004; Closed June 2006

San people representing the group First People of the Kalahari, Botswana, filed a complaint in November 2004 regarding a proposed diamond mine, alleging they were illegally evicted from their traditional hunting grounds because of the project. The CAO Ombudsman assessed the complaint in January 2005 and found that the San people had been displaced under a policy of the Government of Botswana unrelated to the diamond exploration activities. The CAO Ombudsman released a preliminary assessment report in March 2005, which observed that that the mine did not appear to be invasive or disruptive to the San's traditional hunting and gathering way of life. After receiving feedback from the complainants, project sponsors, and IFC, the CAO revised the assessment report, which was released in June 2005. The complaint was closed in June 2006.

GEORGIA

BTC Pipeline-23/Tsemi

Received June 2005; Closed August 2006

An individual from Tsemi Village alleged that his hay was damaged because of construction traffic and that BTC Co.—in assessing the claim—took the only copy of his land ownership documents for review and lost them. BTC Co. rejected the allegation of damaged hay and was unwilling to engage with the CAO or the complainant to resolve it. The CAO made a series of inquiries to help resolve the issue of the land ownership documents. BTC Co. responded that it does not have the documents. The CAO encouraged the CSO representing the complainants to pursue the matter through local government records offices to secure a copy of the documents. The complaint was closed in August 2006.

BTC Pipeline-22/Tsemi

Received June 2005; Closed January 2007

Residents from Tsemi Village in the Borjomi region filed a complaint in June 2005 seeking compensation for impacts to the village's drinking water supply and a consequent drop in tourism during the summers of 2004 and 2005. The impact occurred during construction of a BTC pipeline right-of-way, when topsoil from the project washed into the spring that serves as the domestic water supply for Tsemi and three other villages. BTC Co. acknowledged the problem and constructed a new head facility, but the delivery system into Tsemi village continued to impact the water. In December 2005, a CAO team met with the complainants and BTC representatives and facilitated a settlement among the parties (see p. 11). In December 2006, the CAO Ombudsman received a copy of a letter to BTC Co., signed by complainants from Tsemi, confirming that the terms of the agreement had been met. Following receipt of the letter, CAO independently confirmed the authenticity of the letter with the complainants and company, and closed the complaint in January 2007.

BTC Pipeline-20/Atskuri

BTC Pipeline-19/Atskuri

BTC Pipeline-18/Tetrtskaro

BTC Pipeline-17/Tadzrisi

BTC Pipeline-16/Tetrtskaro

BTC Pipeline-15/Tetrtskaro

In fiscal years 2004 and 2005, the CAO received eight complaints regarding alleged impacts to buildings from BTC Co. activity. Complaints 15, 16, 17, and 18 were filed in December 2004. Complaints 19 and 20 were filed in May 2005. Complaints 15, 16, 18, 19, and 20 (along with BTC Pipeline-08/Sagrasheni, filed in FY 2004) were closed in February 2006. Complaint 17 (along with BTC Pipeline-10/Tetrtskaro, filed in FY 2004) was closed in January 2007.



CAO helped to resolve complaints from a number of Tetrtskaro residents in Georgia who believed that the BTC Pipeline Co. was responsible for cracked walls in their homes.



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In fiscal years 2004 and 2005, the CAO received eight complaints from four villages in the Borjomi region of Georgia, each alleging cracks to homes and buildings as a result of vibration from BTC Co. construction traffic and blasting. A series of negotiations between BTC Co. and the communities resulted in an independent technical analysis of the methods BTC Co. used to assess construction-related vibrations and the risks to buildings along the right of way. The independent consultant's report concluded that while BTC Co.'s methods for assessing vibration risks did not meet international standards, the observed cracks in buildings were unlikely to have been caused by construction vibration. Six complaints were closed in February 2006: Atskuri (two complaints), Tetrtskaro (three complaints), and Sagrasheni. Two other complaints, in Tetrtskaro and Tadzrisi, were closed January 2007, after a settlement agreement was reached between the parties (see p. 11).

BTC Pipeline-14/Vale

Received August 2004; Closed December 2005

An individual filed a confidential complaint regarding land compensation. BTC Co. and the complainant agreed to a settlement facilitated by the CAO and Georgia Young Lawyers Association. The complaint was closed in December 2005.

BTC Pipeline-13/Tsalka

Received July 2004; Closed May 2005

The complainants, individuals from the village of Tsalka, alleged that a pipeline construction work camp in their village caused multiple instances of flooding of homes and outbuildings because of an increase in impermeable surfaces and lack of adequate storm water management during BTC Co. work camp construction. The CAO found that BTC Co. and its subcontractor, Spie-Capag and Petrofac Joint Venture (SPJV), had responded to some of the complainants' concerns, had provided some compensation to individuals, and had made some repairs to municipal roads and ditches. The CAO recommended that the complaint process be streamlined by BTC Co. and SPJV. The CAO closed the complaint in May 2005.

GUATEMALA

Marlin-01/Sipacapa

Received January 2005; Closed May 2006

A CSO representing indigenous people from the municipality of Sipacapa filed a complaint in January 2005, alleging that the Marlin gold mine would harm local water supply quality and quantity, harm the environment, and cause negative social impacts. The complainant also alleged that indigenous residents were not adequately consulted about the project. During its assessment of the complaint, the CAO Ombudsman met with the IFC project team, visited the project area in April 2005, conducted a desk review of project documentation, and commissioned an independent technical review of the project's environmental documentation. An assessment report was released on September 8, 2005. The CAO Ombudsman conducted two follow-up missions, one from October 3 to 10, 2005 and the other from January 23 to February 2, 2006, and released a report. The CAO closed the complaint in May 2006 and requested that the parties monitor and report on the implementation of the CAO recommendations.

INDIA

AD Hydro Power Limited-01/Himachal Pradesh

Received October 2004; Open

Residents in the Himachal Pradesh region filed a complaint in October 2004 raising concerns that water supplies were likely to dry up because of the project's diversion of the Duhangan River, and that the Environmental and Social Impact Assessment (ESIA) documents prepared by the sponsor did not adequately consider the concerns of the villagers or provide a sufficient basis for informed



Communities are often divided over how to best handle the opportunities and impacts brought by large development projects.



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consultation on key impacts of the project. The CAO was able to convene an initial settlement in April 2005, which subsequently broke down. After renewed intervention on the part of the CAO and IFC, the company has now agreed to specific next steps using a commitments register based on its original ESIA as the basis for an agreed action plan. As of June 30, 2007, the complaint remains open, with a settlement agreement expected in due course.

KAZAKHSTAN

Lukoil Overseas-01/Berezovka

Received September 2004; Transferred to Compliance August 2006; Compliance appraisal published with decision to audit April 2007; Open


The CAO received a complaint in September 2004 from the CSO Crude Accountability, on behalf of residents of Berezovka, regarding Lukoil Overseas Karachaganak B.V.'s oil and gas condensate field. The complainants' principal claim is that air and water pollutants from the sponsor's operations are adversely affecting the health of Berezovka residents, and therefore the village should be relocated. After nearly two years of a CAO Ombudsman intervention, the parties decided not to pursue further negotiations. On August 30, 2006, the complaint was transferred to CAO Compliance for appraisal. Based on that appraisal, CAO Compliance determined that the issue related to air emissions fulfills the criteria for an audit of IFC's compliance with relevant policies and guidelines. Also based on the appraisal, CAO Compliance found that the other issues raised in the complaint did not fulfill the audit criteria. The appraisal was completed and published on April 17, 2007, and, as of June 30, 2007, an audit was underway.

PERU

Compañía Minera Antamina S.A.-02/Huarmey

Received June 2005; Closed May 2006

In May 2005 a local union chapter of the Federation of Peruvian Fishermen and a CSO, Life and Environmental Impacts, filed a complaint claiming that the port facilities of the Antamina copper and zinc mine (a project guaranteed by MIGA), were harming the marine environment of Huarmey Bay. In November 2005 the CAO visited Huarmey to help parties identify steps toward resolution. The



CAO also contracted an independent hydrologist to conduct a technical review of the potential impacts on the marine environment of the bay and groundwater sources near the town of Huarney. In March 2006 the CAO returned to Huarney to release the assessment report and results of the technical review. Although the technical assessment found no significant impacts from Antamina's operations on the marine environment, other issues regarding groundwater and information disclosure emerged during investigations by the independent hydrologist. The complaint was closed in May 2006. At the request of the parties the CAO Ombudsman returned to Huarney in July 2006 to facilitate a workshop to assist the parties in designing a more collaborative approach for addressing issues of joint concern, including strategies for wastewater storage and treatment, and systematic approaches to data and information sharing.

TURKEY

BTC Pipeline-21/Posof

Received June 2005; Closed July 2005

At the request of the complainants, this confidential complaint relating to land compensation was closed in July 2005, before the CAO could determine whether it was eligible for assessment.

FY 2004 (July 2003–June 2004)

GEORGIA

BTC Pipeline-12/Tba, Tsemi, and Sadgeri

Received May 2004; Closed January 2005

Three villages in the Borjomi district submitted complaints that raised issues about pipeline construction affecting village water supplies and the potential impact of oil spills and pipeline sabotage on agriculture and tourism. The complaints also charged that BTC Co. provided no or insufficient communication related to the pipeline. BTC Co. installed a new domestic water system to serve the three villages, and the CAO closed the complaint. However, Tsemi village filed a subsequent complaint (see BTC Pipeline-22/Tsemi in FY 2005 section) alleging continued problems with domestic drinking water. The CAO closed the complaint in January 2005.



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BTC Pipeline-11/Tsikhisjvari
Received May 2004; Closed June 2006

The complainant, a landowner, filed a complaint alleging that sponsors' trucks and other vehicles drove across his pasture, using it as a short-cut road. He was promised compensation but did not receive it. The company was unwilling to negotiate a settlement and the CAO believed no further progress could be made to resolve the complaint. The CAO closed the complaint in June 2006.

BTC Pipeline-10/Tetritskaro

Received May 2004; Closed January 2007

See summary of BTC Pipeline complaints 15-20, in FY 2005 section.

BTC Pipeline-09/Tetritskaro

Received May 2004; Closed February 2005

An individual filed a complaint alleging that his telephone line and a wall surrounding his property were damaged by construction trucks. He also alleged that the movement of heavy trucks along the street adjacent to his house damaged water pipes. The parties were unwilling to negotiate a settlement, and the CAO believed no further progress could be made with this complaint. The CAO closed the complaint in February 2005.

BTC Pipeline-08/Sagrasheni

Received May 2004; Closed February 2006

See summary of BTC Pipeline complaints 15-20, in FY 2005 section.

BTC Pipeline-07/Dgvari

Received May 2004; Closed February 2005

Residents of Dgvari village filed a complaint alleging that BTC Co. did not assess the affects of pipeline construction in the area, a severe landslide zone, and as a result, was unable to determine adequate mitigation measures. A CAO Ombudsman assessment found it unlikely that pipeline construction would change the landslide risk to Dgvari, based on BTC Co. studies demonstrating its landslide risk mitigation in the region. The CAO closed the complaint in February 2005.

BTC Pipeline-06/Bashkovi

Received May 2004; Closed February 2005

An individual filed a complaint in May 2004, claiming to have lost significant income from his apiary because vegetation was removed from a pipeline right-of-way during construction. The complainant alleged he should have been provided with assistance to move his bees at least 7 km from the pipeline route. BTC Co. rejected the claim as being outside the physical boundary of claims qualifying for compensation and was unwilling to reopen negotiations on this case—despite claimant’s request for special consideration. The CAO closed the complaint in February 2005.

BTC Pipeline-05/Rustavi City

Received May 2004; Not eligible for assessment; Closed June 2004

A confidential complaint regarding land issues in Rustavi was deemed not eligible for ombudsman assessment in June 2004 because the case is being considered in a Georgian court. The CAO Ombudsman closed the case in June 2004.

BTC Pipeline-04/Switzerland

Received May 2004; Not eligible for assessment; Closed May 2004

The World Wildlife Fund submitted a complaint that included many of the same issues as a previous complaint that contained signatures from a number of community members. The CAO conducted an assessment in May 2004 to interview some of the signatories. No link was found



CAO consultant facilitates a meeting with community members in Himachal Pradesh, India.

between the complainant and the affected person or community. The complaint was deemed not eligible for ombudsman assessment and the case was closed in May 2004.



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BTC Pipeline-03/Switzerland

Received March 2004; Not eligible for assessment; Closed April 2004

The World Wildlife Fund filed a complaint expressing concerns about project impacts on the Caucasus-Anatolian-Hyrcanian temperate forests. The CAO traveled to the region in April 2004 in order to appraise the eligibility of the complaint. No link was found between the complainant and the affected persons or community. The complaint was deemed not eligible for ombudsman assessment.

BTC Pipeline-02/Rustavi

Received March 2004; Closed April 2004

Residents of sub-districts 18 and 19 in Rustavi filed a complaint alleging they were not informed that the pipeline would pass within 250 meters of their homes until after construction had begun. They also raised issues about pipeline safety and the effects of construction and traffic vibration on their homes and apartment buildings. BTC Co. increased engagement with this community and some concerns were resolved. The CAO closed the complaint in April 2004.

BTC Pipeline-01/Switzerland

Received December 2003; Not eligible for assessment; Closed December 2003


The World Wildlife Fund (WWF) filed a complaint arguing that the BTC pipeline posed a threat to Georgia's national parks and national mineral water industry. The complaint also alleged that local people were not presented with adequate information about the potential risks. The complaint did not meet the CAO's eligibility criteria because it was not filed by or on behalf of an individual, group, or community affected (or likely to be affected) by the social and/or environmental impacts of the project.

ZAMBIA

Konkola Copper Mines Plc (KCM)-01/Ming'omba and Kawama

Received July 2003; Closed January 2005

The CAO received a complaint in July 2003 from a local CSO, Citizens for a Better Environment (CBE), on behalf of people in Ming'omba and Kawama, who were involuntarily resettled as a result



of mining operations. The complaint alleged that because of Anglo Gold's exit from the Knokola Copper Mine (KCM), IFC prematurely abandoned the project before full implementation of the Resettlement Action Plan (RAP), in violation of its own safeguard policies. The complaint also alleged that IFC did not consult or publicly disclose to the affected communities its decision to exit the project and the RAP, contradicting its policy on public consultations and disclosure. The CAO Ombudsman found that neither IFC's operational procedures nor its investment and subscription agreements obligated it to remain engaged in the environmental and social performance of KCM after its exit as an investor and shareholder. However, at the time of exit, IFC did engage with KCM to help it continue its environmental and social programs and to ensure completion of the RAP. The CAO Ombudsman recommended no further action on the complaint, but did advise that the resettlement should include coordination, partnership, patience, and creativity, and that IFC should find sources of technical support for KCM to increase capacity to fulfill its social agenda. IFC reported it had exited the project with many environmental and social commitments incomplete, but indicated that its involvement had led to considerable improvements in environmental and social conditions, as compared to before its investment. The CAO closed the case in January 2005.

FY 2003 (July 2002–June 2003)

BOLIVIA

Comsur V-01/Bosque Chiquitano

Received June 2003; Transferred to Compliance November 2003; Case closed and compliance review published July 2004

A complaint was filed by Coordinating Entity for the Ethnic People of Santa Cruz (CPESC), a CSO of representatives from communities in the Bosque Chiquitano. The complaint alleges that during implementation and development of the Don Mario mining project, there was inadequate consideration of the ecological value and sensitivity of the ecosystems, leading to a flawed Environmental Impact Study; that indigenous people in the project area were not adequately consulted or given enough information; that there were no Indigenous People's Development Plans (IPDPs), and no compensation for project impacts despite numerous objections; that the rights of indigenous people were violated, in violation of International Labor Organization (ILO) Convention

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No. 169 and the Environmental Law of Bolivia; and that appropriate World Bank guidelines were not followed. In July 2003, the CAO Ombudsman investigated and commissioned an independent review of COMSUR to evaluate its capacity for effective management of the social and environmental aspects of operations. The complaint was transferred to CAO Compliance in November 2003 to undertake this review. The complaint was closed in July 2004.

CHILE

Empresa Electrica Pangue S.A.-02/Upper Bio-Bio Watershed

Received July 2002; Closed February 2006

In July 2002 a group of Pehuenche women filed a complaint alleging that the Pangue hydroelectric project was adversely impacting indigenous communities and the environment in the Upper Bio-Bio watershed, and that the project was failing to mitigate these impacts. The complaint also stated that the company had not adequately compensated people affected by the project. The CAO assessed the complaint and issued a report in May 2003. With CAO support, the complainants and the project sponsor arrived at an agreement that resolved the compensation issues. At the request of the



Signatories of a complaint to CAO in 2002, who were resettled as a result of the Pangue hydropower project in Chile.

complainants, the CAO Ombudsman continued to monitor the settlement, and in 2005 and early 2006, worked with local, indigenous organizations to address the broader cultural impacts of the project. A settlement agreement focusing on local development capacity building was finalized in February 2006. The CAO is continuing to monitor implementation of this agreement.

FY 2002 (July 2001–June 2002)

INDIA

Chemplast-01/Cuddalore District

Received June 2002; Closed January 2005

CorpWatch India and the Cuddalore District Consumer Federation Council filed a complaint on behalf of communities that would be affected by the project in Cuddalore. The complaint was closed in January 2005 because IFC did not renew the project.

TANZANIA

Bulyanhulu Project-01/Kankola

Received January 2002; Closed January 2005

The Lawyers Environmental Action Team (LEAT) filed a complaint on behalf of the Small Scale Miners Committee of Kakola, Tanzania, alleging the mine's operations were not in compliance with World Bank Group standards. The CAO Ombudsman visited the site in March 2002 and found that the available evidence did not indicate that the mine was responsible for the miners' deaths. The CAO Ombudsman also found that claims were exaggerated about the number of people forcibly relocated by the mine at the time of land clearance. On environmental issues, the mine's activities were found to be in line with best practice in the mining industry. The CAO Ombudsman did not trigger a compliance audit, but recommended that the mine, the communities, local CSOs, and the government work together to strengthen their partnership, which might lead to greater investment in local communities. The complaint was closed in January 2005.

UGANDA

Bujagali-03/Canada

Received July 2001; Closed January 2005

The complainant, a Ugandan-born Canadian, claimed that the grave of his grandfather and others were located on Dumbell Island, which was to be submerged in the Bujagali Falls reservoir. The



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complainant alleged that Bujagali Falls in general, and his grandfather's gravesite in particular, were sacred sites that should be preserved, and that the project did not comply with World Bank Group policies regarding burial sites and protection of indigenous culture and traditions. The CAO Ombudsman concluded that the evidence provided by the complainant could not be verified. The complaint was closed in January 2005.

FY 2001 (July 2000–June 2001)

CHILE

Empresa Electrica Pangué S.A.-01/Upper Bio-Bio Watershed

Received August 2000; Closed January 2005

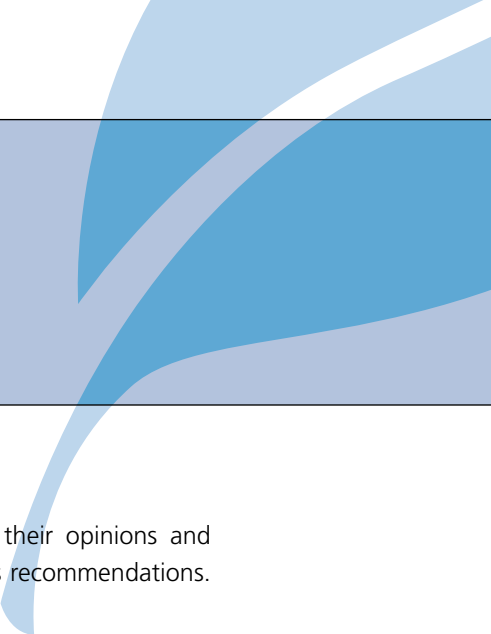
In August 2000 the CAO received a complaint from a Pehuenche individual who had been resettled as a result of the Pangué hydroelectric project (see Empresa Electrica Pangué S.A.-02/Upper Bio-Bio Watershed, p. 34) and alleged that he had not received due compensation. The CAO Ombudsman visited the region in June 2001 and helped negotiate an agreement between the complainant and the company, which was signed in 2001. In January 2005 the CAO closed the complaint.

JORDAN

Jordan Gateway Projects Co.-02/Bet Shean Valley

Received January 2001; Closed January 2005

Local residents filed a complaint expressing concerns about the environmental and social impacts of the Gateway industrial park project, and contended that the historical and cultural significance of the Jordan River would be negatively impacted. The CAO Ombudsman sent an assessment to the complainants in February 2001, and sent a memorandum to the World Bank Group President. The CAO's recommendations to IFC and to the World Bank Group Board included that: a) the project and IFC management prepare a project brief and circulate it to affected people; b) Jordan Gateway Project management and IFC management work to encourage community dialogue over time and as the phases of development unfold; and c) the IFC project team ensure that in ongoing project



supervision, communities on the Israeli and Jordanian sides are visited and their opinions and suggestions actively canvassed. The Board requested that IFC accept the CAO's recommendations. The complaint was closed in January 2005.

Jordan Gateway Projects Co.-01/Bet Shean Valley

Received December 2000; Not eligible for assessment; Closed December 2000

A complaint filed by Friends of the Earth, Middle East did not make it clear how the complainant would likely be affected by the project. The complaint was deemed not eligible for ombudsman assessment in December 2000 and was closed the same month.

NIGERIA

Niger Delta Contractor Revolving Credit Facility-01/Niger Delta

Received June 2001; Closed January 2005

In June 2001, Environmental Rights Action, the Nigerian chapter of Friends of the Earth, filed a complaint regarding lack of consultation and transparency in preparing the Loan Facility; the security situation in the Delta; the choice of SPDC as a partner, given its past and current environmental and social record; the environmental and social performance of Shell contractors; the employment practices of Shell contractors; the current record of community development by Shell; and lack of preexisting conditions of regulation and enforcement that would support compliance with the procedures for any Facility operating in the Delta and in the oil economy. The CAO Ombudsman appraised and accepted the complaint in June 2001. The Final Assessment Report, completed in August 2001, suggested that IFC and the Facility partners should consider criteria to ensure that the Facility serve contractors that are local and indigenous to the Delta; develop a participatory monitoring and evaluation program; and improve marketing to local contractors about the availability of low-interest loans. It also recommended that IFC/World Bank examine complementary facilities that would cater to the needs of small-scale entrepreneurs for microcredit and to ensure access to credit in the Delta. The complainants did not agree with the CAO's recommendations. The CAO Ombudsman closed the complaint in January 2005.

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CAO established a participatory water monitoring project in Cajamarca, Peru, so the local community could better understand the impacts of the Yanacocha gold mine on their water resources.

PERU

Compañía Minera Antamina S.A.-01/Huarmey

Received September 2000; Transferred to Compliance September 2000; Case closed January 2005

A local union chapter of the Federation of Peruvian Fishermen filed a complaint alleging inadequate consultation with local people, problems with the resettlement, and incomplete disclosure about mining activities and their environmental impacts concerning construction of a concentration plant and loading dock at Huarmey. The CAO Ombudsman assessed the complaint and requested a CAO Compliance review of MIGA's environmental and social due diligence in September 2000. The complaint was closed in January 2005.

Yanacocha-02/Cajamarca

Received March 2001; Closed March 2006

In March 2001, the CAO received a complaint filed by the Federation of Rondas Campesinas (FEROCAFENOP), which alleged various adverse social and environmental impacts of the Yanacocha gold mine on local farming communities in the department of Cajamarca. Recognizing the need for a comprehensive approach to addressing community-mine conflicts, the CAO supported the creation of a multistakeholder dialogue roundtable, the Mesa de Diálogo y Consenso, in Cajamarca. The Mesa began functioning in September 2001, and over the next four and a half years it sought to create an open forum for dialogue that helped prevent and resolve conflicts between Cajamarca communities and Yanacocha. To this end, the Mesa facilitated conflict mediation training in 2002 and oversaw a 20-month independent participatory study of the mine's impact on water in the region, which was completed in October 2003.

The Mesa subsequently led a participatory water quality monitoring program and presented the results to local groups throughout 2005 and the first quarter of 2006. These efforts contributed to dialogue and public understanding of water issues in the region and received positive recognition from a wide range of community, company, and government participants. In February 2005 the CAO commissioned an independent evaluation of the Mesa, which was made public in May 2005.

The CAO concluded its phased withdrawal from the Mesa and also closed the complaint in March 2006. Both the Mesa and the monitoring work have concluded.

In June 2007, the CAO published a series of monographs on the history, challenges, and lessons learned from its four-and-a-half year intervention in Cajamarca.

Yanacocha-01/Cajamarca

Received December 2000; Closed November 2003

In December 2000, the CAO received a complaint from the Frente de Defensa de Choropampa, citizens affected by a June 2000 mercury spill, in which a truck contracted by the Yanacocha gold

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OF CAO OMBUDSMAN COMPLAINTS

FISCAL YEARS 2000–2007



Throughout 2005 and 2006, the Mesa de Diálogo y Consenso held consultations with the Cajamarca community to present the findings of the participatory water monitoring project.

mine spilled elemental mercury along 41km of public road. Some local residents collected the mercury and were exposed to harmful levels of mercury. The complaint alleged that health problems were worsening, and that Yanacocha was failing to honor its commitments to the spill-affected people. The CAO Ombudsman had overseen an independent investigation of the mercury spill, made public in October 2000, which found there were several gaps in the company's hazardous waste management and emergency response procedures. In response to the complaint, the CAO Ombudsman met with the parties, who agreed that an independent health evaluation would help address health concerns. Over the next two and half years, the CAO Ombudsman helped to implement recommendations in the evaluation and encountered several barriers from the Ministry of Health and CSOs. The CAO did not pursue the health study because it did not have institutional or social support. A group of people affected by the spill filed suit against one of the project sponsor companies, Newmont Mining, in U.S. and Peruvian courts. The cases continue to be deliberated in U.S. and Peruvian courts. The CAO closed the case in November 2003.

UGANDA

Bujagali-02/Bujagali Falls

Received June 2001; Closed January 2005

This complaint, lodged by the National Association of Professional Environmentalists, focused on broad issues related to economic viability of the project, cost to low-income consumers, benefit to the people of Uganda, and key issues relating to the guidelines of the World Commission on Dams (WCD) and their application to the Bujagali project. The CAO Ombudsman facilitated a response from IFC, who replied directly to the complainant, to ensure that the Power of Purchase be released by the government. Other issues raised by the complainant referred directly to the activities of another member of the World Bank Group, the International Development Association (IDA). The CAO suggested that these matters be referred to the Inspection Panel, the independent recourse mechanism for IDA and the International Bank for Reconstruction and Development (IBRD). The complaint also raised issues of corruption and bribery, which were referred to the World Bank's Fraud and Corruption Unit. The CAO closed the complaint in January 2005.

Bujagali-01/Bujagali Falls

Received November 2000; Not eligible for assessment; Closed December 2000

The complaint, lodged by the National Association of Professional Environmentalists (NAPE), was filed before IFC had accepted an Environmental Impact Assessment from the project sponsor company, and while IFC was in negotiations with the project sponsor regarding some of the issues in the complaint. The complaint was therefore not eligible for assessment and was closed in December 2000.

S U M M A R Y

OF CAO COMPLIANCE AUDITS AND APPRAISALS

FISCAL YEARS 2000–2007

Since its inception in July 1999, CAO Compliance has handled 8 cases, including 2 compliance reviews, 3 compliance appraisals (1 of which led to an audit), and 4 compliance audits. Six of the 8 compliance cases were triggered by the CAO Ombudsman, 1 was requested by the Executive Vice President of IFC, and 1 was requested by the President of the World Bank Group. Summaries appear below, according to the fiscal year (FY) in which the compliance case was triggered or requested. For full details and conclusions, please visit the CAO Web site, where the audit reports can be downloaded.

FY 2007 (July 2006–June 2007)

GEORGIA

BTC Pipeline-27/Tbilisi

Triggered September 2006; Case closed and compliance appraisal published April 2007

On September 7, 2006 the CAO Ombudsman concluded its involvement in the Tbilisi complaint received June 15, 2006 and transferred it to CAO Compliance for appraisal. CAO Compliance determined that the issues did not meet the criteria for an audit. The appraisal was completed and published on April 17, 2007. Both the appraisal and the complaint were closed in April 2007. (For information on the ombudsman complaint, see p. 19.)



Some residents in Berezovka, Kazakhstan are concerned that the Karachaganak Petroleum Operation's emissions are polluting their air and water and harming their health.

KAZAKHSTAN

Lukoil Overseas-01/Berezovka

Triggered August 2006; Compliance appraisal published with decision to audit April 2007; Compliance audit Terms of Reference disclosed June 2007; Open

On August 30, 2006, the CAO Ombudsman concluded its involvement in the Karachaganak complaint dated September 10, 2004 and transferred it to CAO Compliance for appraisal. CAO Compliance determined that the issue related to emissions to air fulfills the criteria for further investigation in the form of an audit of IFC. The other issues related to the complaint did not fulfill the criteria for further investigation in the form of an audit. The appraisal was completed and published on April 17, 2007. As of June 30, 2007, an audit of the project was underway. (For information on the ombudsman complaint, see p. 28.)

FY 2006 (July 2005–June 2006)

DEMOCRATIC REPUBLIC OF CONGO

Anvil Mining Congo, SARL-01/World Bank President Request

Requested July 2005; Case closed and compliance audit published February 2006

In July 2005, the President of the World Bank Group requested the CAO to audit MIGA's due diligence for the Dikulushi Copper-Silver Mining Project in Katanga Province of the Democratic Republic of the Congo. A key issue addressed by the audit related to MIGA's due diligence with respect to security and human rights. The audit was completed in February 2006.

GEORGIA

BTC Pipeline-26/Krtsanisi

Triggered June 2006; Case closed and compliance appraisal published April 2007

On June 23, 2006 the CAO Ombudsman concluded its involvement in the Krtsanisi complaint received December 2, 2005, and transferred it to CAO Compliance for appraisal. CAO Compliance determined that the issues did not meet the criteria for an audit. The appraisal was completed and published on April 17, 2007. (For information on ombudsman complaint, see p. 20.)

S U M M A R Y

OF CAO COMPLIANCE AUDITS AND APPRAISALS

FISCAL YEARS 2000–2007

URUGUAY

Celulosas de M'Bopicua and Orion-01/Argentina and Uruguay

Triggered November 2005; Case closed and compliance audit published March 2006

Based on a complaint received in September 2005, the CAO triggered an audit of IFC's and MIGA's social and environmental due diligence for two pulp mills in Uruguay (CMB & Orion). The objective of the audit was to provide greater clarity in relation to the application of social and environmental appraisal procedures by both IFC and MIGA. The audit was completed and published in March 2006. Both the audit and the complaint were closed in March 2006. (For information on ombudsman complaint, see p. 23.)

FY 2005 (July 2004–June 2005)

BRAZIL

Amaggi Expansion-01/IFC Executive Vice President Request

Requested November 2004; Case closed and compliance audit published June 2005

In November 2004, the Executive Vice President of IFC asked the CAO to audit IFC's environmental categorization of a soybean investment—Grupo André Maggi Participações Limitada, or "Amaggi"—located in the Brazilian state of Mato Grosso. The audit was completed and published in June 2005.



In 2004, the Executive Vice President of IFC asked CAO Compliance to conduct an audit of IFC's environmental categorization of the Amaggi soybean expansion project in Brazil.

FY 2004 (July 2003–June 2004)

BOLIVIA

Comsur V-01/Bosque Chiquitano

Triggered November 2003; Case closed and compliance review published July 2004

Following CAO Ombudsman assessment report recommendations in November 2003, CAO Compliance conducted a review of the capacity of Compañía Minera del Sur (COMSUR) to manage the social and environmental aspects of its operations. The review was completed and published in July 2004. The complaint was closed in July 2004. (For information on the ombudsman complaint, see pp. 33-34).

FY 2001 (July 2000–June 2001)

PERU

Compañía Minera Antamina S.A.-01/Huarmey

Triggered September 2000; Case closed January 2005

Following assessment of a complaint from a local union chapter of the Federation of Peruvian Fishermen, the CAO Ombudsman triggered a compliance review. CAO Compliance conducted a review of MIGA's environmental and social due diligence. The CAO closed the case in January 2005. (For information on the ombudsman complaint, see p. 38.)



FUNDING MESSAGE

In fiscal year 2007, the CAO had an administrative budget of \$2,618,373. The Office also has an agreement with IFC and MIGA that additional funds from a CAO contingency fund will be made available, on request, in the event of an unexpected volume of complaints, a large-scale mediation effort, or other ombudsman-related activity. This contingency fund is \$1 million. In FY 2007, CAO did not need to draw any funds from the contingency fund.

From its own operating budget, the CAO funds all assessments of complaints. For complaints that are assessed, and for specific mediation activities to be organized and/or managed by the CAO Ombudsman, the parties to a dispute may contribute funds to a separate account that the CAO manages. If parties sign an agreement to mediate or a memorandum of understanding to negotiate, the CAO works with the parties to resolve payment issues. For parties who are not in a position to contribute, the CAO has the option to draw on its contingency fund.

No arrangements exist for separate funding on compliance cases. Costs of compliance appraisals and audits are funded from the CAO's administrative budget.



STRATEGIC ADVISORS, FY2007

Ray Albright	Managing Director, GlobalNet Financial Solutions
Glen Armstrong	Director, Sustainable Finance Ltd.
Antonia Chayes	Visiting Professor of International Politics and Law, Tufts University
William (Bill) Davis	Co-founder and President, DPK Consulting
David Hunter	Assistant Professor and Director, Environmental Law Program, Washington College of Law, The American University
David McDowell	Environmental and Social Impact Assessment Consultant; Former Director General, The World Conservation Union (IUCN)
Lori Udall	International public policy and development consultant
Susan Wildau	Partner, CDR Associates

CAO STAFF



Meg Taylor,
Compliance Advisor/Ombudsman

A national of Papua New Guinea, Meg Taylor received her LL.B from Melbourne University, Australia and her LL.M from Harvard University, USA. She practiced law in Papua New Guinea and serves as a member of the Law Reform Commission. She was Ambassador of Papua New Guinea to the United States, Mexico, and Canada in Washington, DC from 1989 to 1994. A co-founder of Conservation Melanesia and a member of the World Commission on Forests and Sustainable Development, she has served on the boards of the World Wildlife Fund-USA and the World Resources Institute, as well as a number of companies in Papua New Guinea in the natural resources, financial, and agricultural sectors.



Amar Inamdar,
Senior Specialist, Ombudsman

A British national born in Kenya, Amar Inamdar leads complex multiparty dispute resolution processes on sensitive private sector projects. Prior to his work at the CAO, Amar founded and managed a professional consulting practice in Oxford, UK, focused on the interface between business and international development. His clients and partners included Rio Tinto, Unilever, Shell, Exxon Mobil, Oxfam, WWF, and the World Bank. Amar was a major contributor to the UK government's White Paper on "Making Globalisation Work for the Poor," contributed to the MBA program at the University of Oxford's Said Business School, and for two years worked in Indonesia to achieve a lasting compensation settlement between civil society groups and Rio Tinto. Amar started his professional career as a corporate strategy consultant for Cap Gemini and worked for the World Wide Fund for Nature in eastern Africa. He was born and lived in Kenya, was educated at Oxford University, and has a Ph.D from Cambridge University.



Henrik Linders,
Senior Specialist, Compliance Advisor

A Swedish national, Henrik Linders has a professional background in private sector project compliance and corporate risk. Before joining the CAO, he served as an advisor for infrastructure projects in Africa, South Asia, Europe, and the Americas, creating strategies and performing audits for companies on such issues as the environment, labor, health, safety, and management. He also served as senior project manager and environmental manager for a number of complex remediation projects in Norway and Sweden, and as manager at a Swedish environmental consultancy firm. He received his MS in engineering from the Norwegian Institute of Technology.



**Kate Kopischke,
Specialist, Ombudsman**

A U.S. national, Kate Kopischke has a background as an independent mediator and facilitator with experience in multiparty conflicts and consensus building. Her expertise includes both private and public sector cases involving economic development, the environment and natural resources, and public-private partnering agreements. She holds a master’s degree in intercultural communication. In addition to her private mediation practice, she served for five years as Program and Communications Manager for the Policy Consensus Initiative, a U.S.-based NGO that works with public leaders to strengthen and encourage the use of consensus building in the public sector.



**Rosemary Thompson,
Program Assistant**

A U.S. national and native of Washington, DC, Rosemary Thompson brings a life of rich and eclectic experience to the CAO. Working for the CAO empowers her to believe that the extraordinary is possible and that the World Bank’s mission statement is attainable.



**Michelle Malcolm,
Program Assistant**

A Belgian national, Michelle Malcolm came to the CAO with extensive experience as a multilingual executive assistant and office manager in the private and public sectors in Europe, the Middle East, and North Africa. She provides administrative and consultant support to the CAO as a whole and works with Henrik Linders on compliance.



**Kathleen Lawlor,
Analyst**

A U.S. national, Kathleen has a background in environmental economics, sustainable forestry, and community development. She has worked at the U.S. Forest Service, helping develop technical assistance projects for sustainable forestry in Africa, and briefly with Friends of the Earth as a Stanback Fellow, monitoring World Bank Group activity in Africa’s natural resource sectors. For two years she worked with farmers in northern Cameroon on agroforestry and HIV/AIDS education and later returned to conduct research on local uses of forest products. Kathleen earned her master’s degree from Duke University, where she studied environmental economics and policy.



**Paula Panton,
Executive Assistant**

A Jamaican national, Paula brings to the CAO over 25 years of experience working with IFC. Known as the “Field Marshall,” she works directly with Meg Taylor and provides administrative support to the unit.



**Kate Henvey,
Research Assistant**

A U.S. national and native of Texas, Kate Henvey has a professional background in human rights and social and environmental compliance. Before joining the CAO, Kate served at the North American Development Bank, assessing compliance with environmental and social loan covenants for infrastructure projects in the U.S.-Mexico border region. She conducted research on human rights issues, including gender and corporate social responsibility, at The Carter Center in Atlanta and the World Organization Against Torture in Geneva. She earned a Masters of Arts in International Relations, Conflict Resolution.

Status of CAO Cases, Fiscal Years 2000–2007

OMBUDSMAN			
Complaints	Date complaint received	Eligible for assessment?	Open or date closed
FY 2000			
No complaints	--	--	--
FY 2001			
1. Chile: Empresa Electrica Pangué S.A.-01/Upper Bio-Bio Watershed	Aug. 2000	Yes	Jan. 2005
2. Peru: Compañía Minera Antamina S.A.-01/Huarmey	Sept. 2000	Yes	Sept. 2000 ^a
3. Uganda: Bujagali-01/Bujagali Falls	Nov. 2000	No	Dec. 2000
4. Jordan: Jordan Gateway Projects Co -01/Bet Shean Valley	Dec. 2000	No	Dec. 2000
5. Peru: Yanacocha-01/Cajamarca	Dec. 2000	Yes	Nov. 2003
6. Jordan: Jordan Gateway Projects Co -02/Bet Shean Valley	Jan. 2001	Yes	Jan. 2005
7. Peru: Yanacocha-02/Cajamarca	March 2001	Yes	March 2006
8. Nigeria: Niger Delta Contractor Revolving Credit Facility-01/Niger Delta	June 2001	Yes	Jan. 2005
9. Uganda: Bujagali-02/Bujagali Falls	June 2001	Yes ^b	Jan. 2005
FY 2002			
10. Uganda: Bujagali-03/Canada	July 2001	Yes	Jan. 2005
11. Tanzania: Bulyanhulu Project-01/Kankola	Jan. 2002	Yes	Jan. 2005
12. India: Chemplast-01/Cuddalore District	June 2002	Yes	Jan. 2005
FY 2003			
13. Chile: Empresa Electrica Pangué S.A.-02/Upper Bio-Bio Watershed	July 2002	Yes	Feb. 2006
14. Bolivia: Comsur V-01/Bosque Chiquitano	June 2003	Yes	Nov. 2003 ^a
FY 2004			
15. Zambia: Konkola Copper Mines Plc (KCM)-01/Ming'omba and Kawama	July 2003	Yes	Jan. 2005
16. Georgia: BTC Pipeline-01/Switzerland	Dec. 2003	No	Dec. 2003
17. Georgia: BTC Pipeline-02/Rustavi	March 2004	Yes	April 2004
18. Georgia: BTC Pipeline-03/Switzerland	March 2004	No	April 2004
19. Georgia: BTC Pipeline-04/Switzerland	May 2004	No	May 2004
20. Georgia: BTC Pipeline-05/Rustavi City	May 2004	No	June 2004
21. Georgia: BTC Pipeline-06/Bashkovi	May 2004	Yes	Feb. 2005
22. Georgia: BTC Pipeline-07/Dgvari	May 2004	Yes	Feb. 2005
23. Georgia: BTC Pipeline-08/Sagrasheni	May 2004	Yes	Feb. 2006
24. Georgia: BTC Pipeline-09/Tetrtskaro	May 2004	Yes	Feb. 2005
25. Georgia: BTC Pipeline-10/Tetrtskaro	May 2004	Yes	Jan. 2007
26. Georgia: BTC Pipeline-11/Tsikisjvari	May 2004	Yes	June 2006
27. Georgia: BTC Pipeline-12/Tba, Tsemi, Sadgeri	May 2004	Yes	Jan. 2005

Status of CAO Cases, Fiscal Years 2000–2007 *continued*

OMBUDSMAN			
Complaints	Date complaint received	Eligible for assessment?	Open or date closed
FY 2005			
28. Georgia: BTC Pipeline-13/Tsalka	July 2004	Yes	May 2005
29. Georgia: BTC Pipeline-14/Vale	Aug. 2004	Yes	Dec. 2005
30. Kazakhstan: Lukoil Overseas-01/Berezovka	Sept. 2004	Yes	Aug. 2006 ^a
31. India: AD Hydro Power Limited-01/Himachal Pradesh	Oct. 2004	Yes	Open
32. Botswana: Kalahari Diamond-01/Kalahari	Nov. 2004	Yes	June 2006
33. Georgia: BTC Pipeline-15/Tetrtskaro	Dec. 2004	Yes	Feb. 2006
34. Georgia: BTC Pipeline-16/Tetrtskaro	Dec. 2004	Yes	Feb. 2006
35. Georgia: BTC Pipeline-17/Tadzrisi	Dec. 2004	Yes	Jan. 2007
36. Georgia: BTC Pipeline-18/Tetrtskaro	Dec. 2004	Yes	Feb. 2006
37. Guatemala: Marlin-01/Sipacapa	Jan. 2005	Yes	May 2006
38. Belize: NOVA Companies (Belize) Ltd. and Ambergris Aquaculture Ltd.-01/ Ladyville	Jan. 2005	No	Jan. 2005
39. Georgia: BTC Pipeline-19/Atskuri	May 2005	Yes	Feb. 2006
40. Georgia: BTC Pipeline-20/Atskuri	May 2005	Yes	Feb. 2006
41. Turkey: BTC Pipeline-21/Posof	June 2005	Complaint withdrawn	July 2005
42. Georgia: BTC Pipeline-22/Tsemi	June 2005	Yes	Jan. 2007
43. Georgia: BTC Pipeline 23/Tsemi	June 2005	Yes	Aug. 2006
44. Peru: Compañía Minera Antamina S.A.-02/Huarmey	June 2005	Yes	May 2006
FY 2006			
45. Georgia: BTC Pipeline-24/Vale	Aug. 2005	No	Sept. 2005
46. Georgia: BTC Pipeline-25/Vale	Aug. 2005	No	Sept. 2005
47. India: AD Hydro Power Limited-02/Jagat Sukh	Aug. 2005	No	Sept. 2005
48. India: Ramky-01/Gummidipoondi	Aug. 2005	No	Oct. 2005
49. India: Ramky-02/Mumbai	Sept. 2005	No	Oct. 2005
50. Uruguay: Celulosas de M'Bopicia (CMB) & Orion-01/Argentina and Uruguay	Sept. 2005	Yes	Nov. 2005 ^a
51. Georgia: BTC Pipeline-26/Krtsanisi	Dec. 2005	Yes	June 2006 ^a
52. Pakistan: DJ Khan-01/Kahoon	Dec. 2005	No	Jan. 2006
53. Peru: Yanacocha-03/Cajamarca Dept.	March 2006	Yes	Aug. 2006
54. Kenya: AEF Lesiolo Grain Handlers Limited-01/Nakuru	April 2006	No	April 2006
55. Georgia: BTC Pipeline-27/Tbilisi	June 2006	Yes	Sept. 2006 ^a
56. India: Atul Ltd.-01/ Gujarat	June 2006	Yes	June 2007

Status of CAO Cases, Fiscal Years 2000–2007 *continued*

OMBUDSMAN			
Complaints	Date complaint received	Eligible for assessment?	Open or date closed
FY 2004			
57. Turkey: BTC Pipeline–28/Adana & Ceyhan	July 2006	Yes	Feb. 2007
58. Georgia: BTC Pipeline-29/Tsalka	Aug. 2006	Yes	Open
59. India: Mahindra Farm Services–01/Confidential	Oct. 2006	Yes	Open
60. India: Mahindra Farm Services–02/Confidential	Oct. 2006	Yes	Open
61. Peru: Tecnosul-01/Ica	Nov. 2006	No	Jan. 2007
62. India: Mahindra Farm Services–03/Confidential	Feb. 2007	Yes	Open
63. India: Mahindra Farm Services–04/Confidential	March 2007	Yes	Open
64. Kazakhstan: Lukoil Overseas-02/Berezovka	April 2007	Yes	Open
COMPLIANCE			
Cases	Date Triggered	Eligible for audit/review?	Open or date closed
FY 2000			
No audit requests	--	--	--
FY 2001			
1. Peru: Compañía Minera Antamina-01/Huarmey	Sept. 2000	Yes	Jan. 2005
FY 2002			
No audit requests	--	--	--
FY 2003			
No audit requests	--	--	--
FY 2004			
2. Bolivia: Comsur V-01/Bosque Chiquitano	Nov. 2003	Yes	July 2004
FY 2005			
3. Brazil: Amaggi Expansion-01/IFC Executive Vice President Request	Nov. 2004	Yes	June 2005
FY 2006			
4. Democratic Republic of Congo: Anvil Mining Congo, SARL-01/ World Bank President Request	July 2005	Yes	Feb. 2006
5. Uruguay: Celulosas de M'Bopicua (CMB) & Orion-01/ Argentina and Uruguay	Nov. 2005	Yes	March 2006
6. Georgia: BTC Pipeline-26/Krtsanisi	June 2006	No	April 2007
FY 2007			
7. Kazakhstan: Lukoil Overseas-01/Berezovka	Aug. 2006	Yes	Open
8. Georgia: BTC Pipeline-27/Tbilisi	Sept. 2006	No	April 2007

a. CAO Ombudsman transferred the case to CAO Compliance.

b. CAO assessed and handled those issues raised by the complainant that dealt with IFC. However, the complainant also raised issues outside of the CAO's mandate. The CAO referred these issues to other relevant parts of the World Bank Group.



REPORTS AND PUBLICATIONS

The CAO published the following documents in FY2007:

Operational Documents

CAO Operational Guidelines (revised April 26, 2007)

Studies on Consensus Building and Dispute Resolution

Building Consensus: History and Lessons from the Mesa de Dialogo y Consenso CAO-Cajamarca, Peru
Monograph Series (June 2007)

Monograph 1. *The Formation and First Steps of the Mesa (2000–2003)*

Monograph 2. *The Independent Water Study (2002–2004)*

Monograph 3. *Independent Water Monitoring and the Transition of the Mesa (2004–2006)*

(Based on CAO cases: Peru/Yanacocha-01/Cajamarca, Peru/Yanacocha-02/Cajamarca,
Peru/Yanacocha-03/Cajamarca Department)

Ombudsman Reports

Progress Report: Complaint Regarding the Allain Duhangan Hydropower Project: Himachal Pradesh, India (August 28, 2006)

(CAO case: India/AD Hydro Power Limited-01/Himachal Pradesh)

Notes from the Information Sharing Meeting of Canal Users from COMOCA Sur and COMOCA Este and Representatives of Minera Yanacocha (September 7, 2006)

(CAO case: Peru/Yanacocha-03/Cajamarca Department)

Capacity Building Workshop Meeting Summary and Recommendations: Huarmey, Peru (September 12, 2006)

(CAO case: Peru/Compañía Minera Antamina S.A.-02/Huarmey)

Compliance Reports

CAO Appraisal for Audit of IFC, Karachaganak Project, Case of Residents in the Village of Berezovka (April 17, 2007)

(CAO case: Kazakhstan/Lukoil Overseas-01/Berezovka)

CAO Appraisal for Audit of IFC, Baku-Tbilisi-Ceyhan Pipeline, Case of Villagers of Krtsanisi (April 17, 2007)

(CAO case: Georgia/BTC Pipeline-26/Krtsanisi)

CAO Appraisal for Audit of IFC, Baku-Tbilisi-Ceyhan Pipeline, Case of Resident of Tbilisi/Compensation for Rose Bushes (April 17, 2007)

(CAO case: Georgia/BTC Pipeline-27/Tbilisi)



FURTHER INFORMATION ABOUT THE CAO

The CAO aims for maximum disclosure of reports, findings, and results of the CAO process by reporting results on our Web site. Our Operational Guidelines and all other public documents are available in print and online. Most Web content is in English, French, and Spanish. The guidelines are available in these languages as well as Arabic, Chinese, Portuguese, and Russian. The guidelines and Web site include a model letter to the CAO's office to assist people in filing a complaint.

How to File a Complaint

Complaints should be submitted in writing and may be presented in any language. The CAO will attempt to respond in the language of the complaint. Complaints should be sent by mail/post, fax, or e-mail or delivered to the Office of the CAO in Washington, DC. The full address of the Office of the CAO appears on the back cover of this annual report. The CAO will keep the identity of complainants confidential if requested to do so, but anonymous complaints will not be accepted. Material may also be submitted on a confidential basis to support a complaint and will not be released without the consent of the party/parties that submitted it.

CAO Web site: www.cao-ombudsman.org

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