

CAO QUARTERLY

COMPLIANCE
ADVISOR
OMBUDSMAN

ISSUE 29 / QUARTER 2 / FISCAL YEAR 2023

CAO in the 19th IAMNet Annual Meetings in New York

More than 126 practitioners from different International Financial Institutions' accountability mechanisms, along with 30 representatives from Civil Society Organizations (CSOs), joined plenary sessions and multiple panels to exchange knowledge and common goals related to accountability in the 2022 Annual Meetings of the Independent Accountability Mechanisms Network (IAMnet).

During the sessions hosted by the UNDP's Social and Environmental Compliance Unit (SECU), CAO, which is also Chair of the IAMnet Secretariat, participated in discussions related to remedy and responsible exit, grievance redress, retaliation, and reprisals, and other topics.

The sessions were conducted in-person after a three-year pause due to COVID-19 restrictions, and participants also joined virtually including in break-out sessions.

The IAMNet Annual Meeting took place at the Japan Society in New York City from October 24 to 27, 2022. IAMnet is a virtual network of dedicated practitioners who contribute to the regular exchange of good practice and assist with institutional capacity building in accountability as components of corporate governance and development impact. CAO concludes its three-year term as Chair of the IAMnet Secretariat in January 2023, when the role will rotate to the World Bank-Accountability Mechanism.

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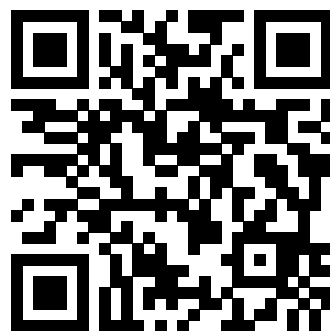
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CAO Celebrates Conflict Resolution Day

On October 20, 2022, over 100 participants joined CAO and PeaceNexus for the webinar "What Does a Dispute Resolution Process Leave Behind?" exploring how dialogue processes can be further strengthened to increase their positive long-term impacts for the communities and companies involved.

The panel discussion was co-hosted by CAO and PeaceNexus, a Swiss-based foundation that provides services to strengthen the effectiveness of organizations that play a role in building peace. CAO and PeaceNexus's partnership over the years has enabled the fulfillment of their respective mandates to address environmental and social impacts through facilitated dialogue.



Conflict Resolution Day meet and greet at IFC Headquarters, in Washington, DC
Photo Credit: CAO Comms

The webinar aimed to facilitate an open exchange between institutional actors and communities involved in resolving operational conflicts in the field of business and human rights and share the lessons that can be applied moving forward.

Janine Ferretti, CAO Director General, opened the session celebrating world Conflict Resolution Day and the role of mediation, arbitration, conciliation, and other peaceful

approaches in resolving conflict. Panelists included representatives of complainant communities, Joan Akiiza from the National Association of Professional Environmentalists, Joseph Wilde from the Dutch NGO, SOMO, Kristel Tonstad from the National Contact Point (NCP) for Norway, Nokukhanya Ntuli, head of CAO's Dispute Resolution team, and Sylvia Tuin from the Dutch NCP. The session was facilitated by Catriona Gourlay, Executive Director of PeaceNexus.

Assessment of Three Complaints Completed

Since the [CAO Policy](#) became effective on July 1, 2021, CAO has received 16 eligible complaints. CAO completed the assessment process of the first 3 complaints received under the new policy in the second quarter of this fiscal year, and the assessment of the other 13 is underway.

The purpose of the assessment process is to engage with the relevant stakeholders, develop a thorough understanding of the issues raised in the complaint, explain CAO's different functions, and determine whether the parties seek to initiate a dispute resolution or compliance process to address the complaint. While previously, the assessment process was to be completed within 120-working days, the new policy provides for a shorter 90-working day process, with an option to extend for 30-working days under certain conditions outlined by the Policy.

The first eligible complaint received under the new Policy relates to 18 IFC financial intermediary (FI) projects in Cambodia, and was filed in February 2022. The second complaint, which was filed in April 2022, relates to the IFC-supported Nachtigal Hydropower Project in Cameroon. The third was filed by a former employee of an IFC-supported Pakistani Bank (HBL) in March 2022, but was immediately referred to IFC in

New approaches:

- During the COVID-19 pandemic, all assessments were conducted online. Therefore, to meet the 90-day deadline, CAO is reviewing whether a field trip is required for every assessment process.
- CAO is streamlining the assessment report drafting and review process.
- CAO is finding efficient ways to coordinate with other IAMs involved in assessment processes.

Continued on next page

Assessment of Three Complaints Completed *Continued from page 3*

accordance with [a new provision in the CAO Policy](#), which enables the complainant to engage in an attempt at early resolution with IFC and its client.

The assessment process in the HBL case was completed within the new 90-working day deadline, while the assessment processes in the Nachtigal and Cambodia FI cases were extended to 120 working days given some of the parties involved had expressed interest in engaging in a dispute resolution process and more time was needed to conclude the assessment.

Ultimately, given the complexity of the assessment, the process for the Cambodia FI case took 148 working days. During those three cases, challenges to deadlines encountered

by the CAO team included engaging with a multiplicity of IFC clients and sub-clients in the Cambodia FI case, coordinating with other IAMs involved in the Nachtigal case, and helping the parties to understand that the assessment process is not an evidence-gathering process.

Based on these experiences, CAO continues to make efforts to enhance the effectiveness of the assessment process while retaining tried and tested methods.

New approaches CAO is exploring include determining whether a virtual or in-person assessment trip is needed, streamlining the assessment report process, and finding efficient ways to coordinate with other IAMs.

For more on CAO's Dispute Resolution work

CLICK HERE

OUTREACH

Quarterly Engagement with Civil Society

CAO hosted a second civil society roundtable on November 30, 2022. The session focused on the Dispute Resolution function.

More than 24 colleagues from 11 NGOs participated virtually and in-person to discuss the role of CSOs in the dispute resolution process, dispute resolution outcomes, and other topics.



Civil society organizations meet virtually and in-person. Photo Credit: CAO

The roundtable was facilitated by Nokukhanya Ntuli, head of CAO's Dispute Resolution team and is part of a series of quarterly engagements that CAO is conducting with CSOs. Upcoming sessions will continue the discussion about CAO's Dispute Resolution function, as well as CAO's Compliance and Advisory roles.

If you'd like to participate in the next CSO Roundtable

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CSO Outreach to Law Students in and Dispute Resolution Professionals in Lebanon and Vietnam
Photo Credit: Do Thanh Thuy

Outreach to Law Students and Dispute Resolution Professionals in Lebanon and Vietnam

On October 13, CAO participated in an outreach session to three law schools in Asia and the Middle East. The Law Faculties of two Lebanese Universities, Notre Dame and St. Joseph, joined the conversation with members of CAO's Dispute Resolution team.

About 70 students and dispute resolution professionals in Beirut attended the session, as well as the deans of each faculty.

Additionally, an outreach was extended to the Hanoi-Vietnam National Economics University Faculty of Law. The dean, and approximately 50 students and professionals were present.

These initiatives were led by Spyridon (Spyros) Antonelos, Senior Specialist of CAO's Dispute Resolution team.

Management Progress Reports for Compliance Investigations from Chile, Egypt, and Nigeria

In October 2022, CAO received Management Progress Reports from IFC on the implementation of Management Action Plans (MAP) for three cases currently under compliance monitoring. The reports include updates on the actions that IFC and its clients have taken to meet the commitments contained in the MAPs to address findings from CAO's compliance investigations for the [Chile: Alto Maipo-01/Cajon del Maipo](#); [Egypt: Alex Dev-01/Wadi al-Qamar](#); and [Nigeria: Eleme Fertilizer II-01/Port Harcourt cases](#).

In Chile, in a case related to IFC's support for hydropower projects, IFC asserts in its report to have completed related Environmental and Social Impact Assessment (ESIA) documentation disclosures, engagement with relevant financial stakeholders to share CAO's investigation report and findings, and engagement with the CSO participating in the case. The report also states that internal activities, including the enhancement of the Broad Community Support Matrix and Broad Community Support disclosure procedures, the enhancement of IFC's disclosure system, and guidance on monitoring for ambient air quality, have all been implemented. An [English](#) and [Spanish](#) version of the report is available on the [CAO website](#).

In Egypt, in a case regarding IFC's support for cement manufacturing, IFC engaged with the company to carry out specific project-level and systemic actions related to community

engagement, the establishment of grievance mechanisms, security management procedures, and the disclosure of the environmental performance report. Additionally, relevant environmental and social assessment documentation has been disclosed on IFC's website, and IFC finalized its internal Environmental and Social Review Procedures for this project.

Finally, in Nigeria, in a case raising labor concerns related to an IFC fertilizer project, IFC stated that it initiated a detailed assessment of the company's grievance and anti-reprisal mechanisms and their implementation in practice. After the review, recommendations included improving implementation procedures related to the grievance mechanisms in place, enhancing workers' awareness about the grievance process, training and capacity building, and monitoring and evaluation.

CAO is currently monitoring the actions taken by IFC and its clients in all three cases and is in communication with the complainants. CAO expects to release an "omnibus" monitoring report later in FY23, which will combine monitoring results for all three cases.

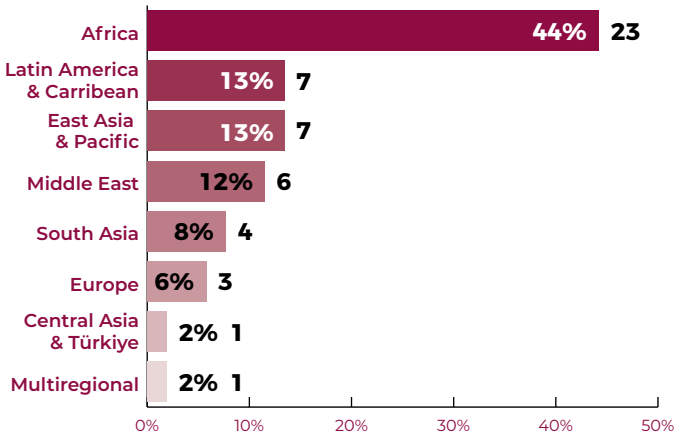
For more on CAO's Compliance work

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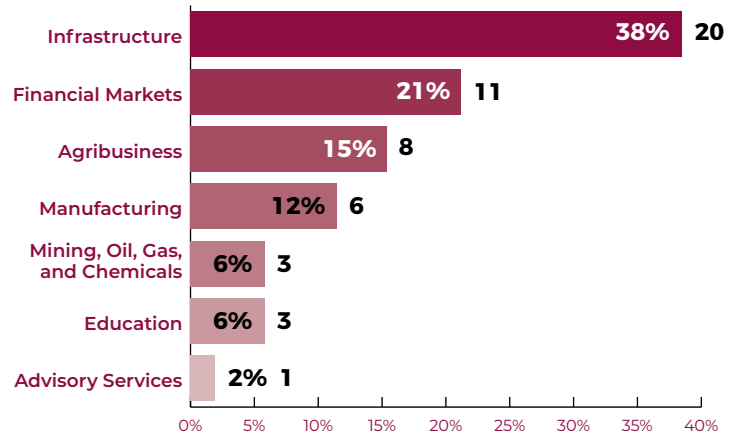
CASE TRACKER

Status as of December 31, 2022.

Cases by Region



Cases by Sector



Visit our [Data Center](#) for more case statistics and information.

DATA CENTER



Construction workers in Nigeria.
Photo: Arne Hoel/World Bank

FOR MORE INFORMATION

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