



APPRAISAL REPORT

CAO Appraisal for Audit of IFC

CAO Compliance

C-I-R9-Y12-F155

May 10, 2012

Maple Energy Plc
Canaán and Nuevo Sucre, Peru

Summary

Maple Energy Plc is a privately owned energy company with assets and operations in Peru. It engages in numerous aspects of the energy industry in Peru, including exploration and production of crude oil and natural gas, and development of an ethanol project. In 2007, IFC extended US\$10 million in the form of equity, and a loan of up to US\$30 million, to enable Maple to finance its capital expenditure program in the short to medium term. The capital expenditure program included the drilling and well work-over programs to extend productivity of existing hydrocarbon fields.

In April 2010, the CAO received a complaint from the citizens of the Shibibo-Konibo villages of Canaán de Cachiyacu and Nuevo Sucre raising environmental and social concerns relating to this IFC-funded project. The complainants alleged that Maple violated a number of IFC Performance Standard requirements relating to the lack of disclosure of project information, absence of a participative consultation with affected communities, environmental pollution from oil spills, and contamination of land and water resources.

The CAO finds that during the due diligence process, IFC identified and assessed all the major concerns that relate to the direct impacts of the project that were later raised by the complainants. Throughout the various project investment phases, IFC worked with Maple to improve its information disclosure, community participation, and environmental and social protections. The CAO's review of IFC project documentation indicates that IFC committed resources to ensure that periodic site visits were conducted and Maple's environmental performance was reviewed. With each site visit and performance review, IFC documented Maple's implemented actions and repeatedly flagged pending actions for Maple to undertake. The IFC project documentation reviewed by the CAO indicates that IFC identified and acted upon what it considered a concern regarding the pace in which Maple implemented the recommended actions. Since IFC identified and acted upon this concern, it does not constitute a failure on IFC's part to assure itself of the performance of the client. However, it does raise questions about IFC's assessment of the client's commitment and capacity to implement the actions identified in the ESAP. It also raises the question on how IFC exercises its accessible leverage to enforce the requirements and ensure implementation of agreed actions.

With regard to the appraisal question whether a compliance audit could yield information or findings that might better inform the application of policies (or other audit criteria) to future projects,

the CAO finds that an audit of IFC's due diligence and monitoring of the investments related to Maple against the applicable policy provisions would yield limited information and be of limited value beyond what this appraisal has identified.

The CAO concludes that this case does not merit an audit of IFC's due diligence and monitoring of its involvement linked to the operations of Maple. The CAO will close this case with no further action.

Office of the Compliance Advisor/Ombudsman (CAO)
for the
International Finance Corporation (IFC)
Multilateral Investment Guarantee Agency (MIGA)
Members of the World Bank Group



Contents

1. Overview of the CAO Appraisal Process and Compliance Audits
2. Background and Concerns that Led to the Appraisal
3. Scope of the Appraisal for a Compliance Audit of IFC
4. Findings of the CAO Appraisal
5. The CAO Decision

About the CAO

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

The CAO (Office of the Compliance Advisor/Ombudsman) 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 two private sector lending arms of the World Bank Group: the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA).

For more information about the CAO, please visit www.cao-ombudsman.org

1. Overview of the CAO Appraisal Process and Compliance Audits

When the CAO receives a complaint about an IFC or MIGA project, the complaint is first referred to the ombudsman arm of the CAO, *CAO Ombudsman*, which works to respond quickly and effectively to complaints through facilitated settlements, if appropriate. If CAO Ombudsman concludes that the parties are not willing or able to reach a facilitated solution, the case will be transferred to the compliance arm of the CAO, *CAO Compliance*, to appraise the concerns raised in the complaint as a possible basis for a *compliance audit* of IFC or MIGA. Alternatively, a compliance audit can be initiated at the request of the President of the World Bank Group or the senior management of IFC or MIGA, or at the discretion of the CAO Vice President.

A *CAO compliance appraisal* is a preliminary investigation to determine whether the CAO should proceed to a compliance audit of IFC/MIGA. Through CAO compliance appraisals, the CAO ensures that compliance audits of IFC/MIGA are initiated only for those cases that may raise substantial concerns regarding social or environmental outcomes.

A compliance audit is concerned with assessing the application of relevant policy provisions and related guidelines and procedures to determine whether IFC/MIGA is/are in compliance. The primary focus of compliance auditing is on IFC/MIGA, but the role of the sponsor may also be considered.

A compliance audit appraisal, and any audit that ensues, must remain within the scope of the original complaint or request. It cannot go beyond the confines of the complaint or request to address other issues. In such cases, the complainant or requestor should consider a new complaint or request.

The CAO compliance appraisal will consider how IFC/MIGA assured itself/themselves of compliance with national law, reflecting international legal commitments and other appraisal criteria. The CAO has no authority with respect to judicial processes. The CAO is not an appeals court or a legal enforcement mechanism, nor is the CAO a substitute for international court systems or court systems in host countries.

The appraisal criteria are set forth in CAO's Operational Guidelines. The criteria are framed as a series of questions to test the value of undertaking a compliance audit of IFC or MIGA. The criteria are as follows:

- Is there evidence (or perceived risk) of adverse social and environmental outcomes that indicates that policy provisions (or other audit criteria) may not have been adhered to or properly applied?
- Is there evidence of risk of significant adverse social and environmental outcomes that indicates that policy provisions, whether or not complied with, have failed to provide an adequate level of protection?
- Is there evidence (or perceived risk) of significant adverse social and environmental outcomes where policy provisions, standards, or other audit criteria were not thought to be applicable but perhaps should have been applied?
- Is there evidence that the application of some aspect of a policy, standard, guideline, or procedure resulted in adverse social and environmental outcomes?



- Can the cause of adverse social and environmental outcomes not be readily identified and corrected through the intervention of the project team without a detailed investigation of the underlying causes or circumstances?
- Could a compliance audit yield information or findings that might better inform the application of policies (or other audit criteria) to future projects?

During appraisal, CAO Compliance holds discussions with the IFC/MIGA project team and other relevant parties to understand the validity of the concerns and to explore whether an audit would be warranted.

After a compliance appraisal has been completed, the CAO can choose only one of two options: to close the case, or to initiate a compliance audit of IFC/MIGA.

The CAO will report and disclose the findings and decision of the CAO compliance appraisal in an appraisal report in order to inform the President of the World Bank Group, the Boards of the World Bank Group, senior management of IFC/MIGA, and the public in writing about its decision.

If the CAO decides to initiate a compliance audit as a result of the compliance appraisal, the CAO will draw up a Terms of Reference for the audit in accordance with the CAO's Operational Guidelines.

2. Background and Concerns that Led to the Appraisal

In April 2010, the CAO received a complaint from the citizens of the Shibibo-Konibo villages of Canaán de Cachiyacu and Nuevo Sucre raising environmental and social concerns relating to this IFC-funded project. The complainants alleged that Maple violated a number of IFC Performance Standard requirements relating to the lack of disclosure of project information, absence of a participative consultation with affected communities, environmental pollution from oil spills, and contamination of land and water resources. IFC provided US\$10 million in form of equity, and a loan of up to US\$30 million, to enable Maple to finance its capital expenditure program in the short to medium term.

The complainants claimed that:

- There had been five oil spills between 2009 and 2010 (four in 2009 and one in 2010), all of which Maple had difficulties in containing. The complainants alleged that the measures in place to manage and contain oil spills were inadequate. In addition, the complainants alleged that Maple failed to provide emergency preparedness and emergency spill response training to the community members who were subsequently hired to assist with the oil spill cleanup operations.
- The studies that were conducted to assess the environmental and human health impacts of the oil spills were not comprehensive. Furthermore, the complainants alleged that the study results were not shared with the affected communities. The complainants also alleged that Maple knowingly caused harm to the affected communities because:
 - The communities were not informed about the spills in a timely manner.

- Maple had not made any provision for medical care for those affected.
 - Contaminated areas were not remediated and restored.
- The complainants alleged that Maple failed to reinject the liquid byproduct (produced water) from its exploration activities into the oil & gas fields, and discharged this and other untreated wastes (oil residue from tanks) directly into the Cachiyacu tributary. The complainants claimed that crop yields and fishing areas have been harmed, while alternative sources of food have not been provided for communities. The complainants also alleged that local flora and fauna have been harmed by water contamination caused by Maple's operations. This has subsequently resulted in a negative impact on the communities' economic development, and the communities have not received any compensation.
 - Both the Canaán and Nuevo Sucre communities cited the lack of consultation as a major issue. The Nuevo Sucre community members claim to have become aware of Maple operations on their land only once Maple started felling trees, building roads, and restarting abandoned wells. They claim to have submitted a written complaint to Maple that these operations were proceeding on their land without prior consultation or compensation. The complainants state that Maple did not acknowledge or respond to their initial complaint. According to the complainants, Maple responded only after receiving further related complaints.

The Canaán community members claim that Maple's consultations with their community about its initial oil operations on the community land were inadequate. The complainants state that this consultation process was ineffective as it was conducted in Spanish, which was not the community's first language. The Canaán community members further claim that:

- Maple and IFC failed to provide project information to the community in an accessible and culturally appropriate manner.
- Community members expected to be informed of IFC's presence, but they remained unaware of IFC's involvement in the investment project even after the consultation was concluded.
- Maple failed to provide the communities with information regarding emergency plans/training to deal with potential oil spills and other disasters.

On the whole, the complainants of both aggrieved communities question Maple's compliance with IFC's Disclosure Policy. The complainants also raised questions about the treatment of Indigenous People. Specifically:

- The complainants alleged that the Canaán and Nuevo Sucre community members who are of Shipibo ethnic group are discriminated against, and are made to work extensive hours with inadequate remuneration, and to work with inappropriate or inadequate protective equipment. Furthermore, complainants alleged that those who complain about the working conditions during one assignment are not rehired for future assignments.



The CAO deemed the complaint eligible for assessment in April 2010, and the CAO Ombudsman began the assessment of opportunities for resolving the issues raised by the complaint.¹ In August 2011, the dialogue process ended and the complaint was transferred to CAO Compliance for appraisal in November 2011.

Investment Background

The IFC's investment intended to fund Maple's capital expenditure plan in the short to medium term. The capital expenditure plan included:

- The drilling and well work-over programs to extend productivity of existing hydrocarbon fields
- Exploration and related activities in the company's hydrocarbon concessions
- The development of a greenfield ethanol project.

The issues raised in the complaint relate only to the aspects of the investment project connected to the drilling and well work-over programs that intended to extend productivity of existing hydrocarbon fields.

IFC classified the investment as Category B according to IFC's Procedure for Environmental and Social Review of Projects, in the belief that "a limited number of specific environmental and social impacts may result that can be avoided or mitigated by adhering to generally recognized Performance Standards, guidelines or design criteria (limited environmental impacts)."

3. Scope of the Appraisal for a Compliance Audit of IFC

As discussed in Section 1, CAO appraisals are limited to examining the issues related to a complaint and determining how they relate to the performance of IFC/MIGA and its/their obligations under the relevant standards, guidelines, and procedures. A CAO compliance appraisal of IFC therefore focuses on how IFC assured itself of the environmental and social performance of the project being reviewed, and whether or not decisions made during IFC's processing of the investment were aligned with relevant applicable standards and the desired effect of IFC's policy provisions.

The complaint alleges the following environmental and social concerns regarding Maple's operations:

- Inadequate/ineffective or lack of consultation with affected communities
- Lack of disclosure of information to affected communities
- Lack of adequate mitigation measures to deal with oil spills and pollution
- Negative impact of pollution and contamination of land and water
- Negative impact on food sources available to the communities
- Lack of provision of adequate personal protective equipment for contract workers assisting with oil spill cleanup operations
- Resultant widespread health issues within the communities.

¹ Details of the Ombudsman Assessment can be found at:
http://www.cao-ombudsman.org/cases/case_detail.aspx?id=157

IFC Standards, Guidelines, and Procedures

The framework of IFC's due diligence is provided by IFC's Performance Standards, in combination with relevant EHS (Environmental, Health and Safety) Guidelines, along with applicable sector guidance notes.

IFC's environmental and social due diligence indicated that the investment will have impacts that must be managed in a manner consistent with six Performance Standards specifically identified as relevant:

- PS1–Social and Environmental Assessment and Management Systems
- PS2–Labor and Working Conditions
- PS3–Pollution Prevention and Abatement
- PS4–Community Health, Safety and Security
- PS5–Land Acquisition and Involuntary Resettlement
- PS6–Biodiversity Conservation and Sustainable Natural Resource Management.

The Environmental and Social Review Procedures require IFC to review the project against the Performance Standards and good international practice standards, as set out in the EHS Guidelines. In addition, an assessment typically includes a review of the track record, technical capacity, corporate and project-specific management systems of the client/operator, and mitigation measures for identified risks.

IFC's Due Diligence and Follow-up

In 2007, IFC's early review of the investment identified a number of environmental, social, health, and safety issues with Maple's operations that were not in line with the IFC's Performance Standards. These included wastewater and effluent discharge, solid waste management, occupational health and safety, emergency preparedness and response, community engagement, and labor practices. Accordingly, Maple, with IFC's support, was required to develop a robust corporate-wide environmental and social management system. In addition, Maple agreed to implement IFC's approved Environmental and Social Action Plan (ESAP) to enable Maple to address the issues identified during the IFC investment appraisal. This ESAP required the following actions to be implemented according to a deadline: within six months of signing the investment agreement:

- Develop an integrated Environment, Health, Safety and Social (EHSS) Management system, including a corporate Public Consultation and Disclosure Plan (PCDP)
- Include in the PCDP a grievance mechanism and a mechanism for ongoing consultation with key stakeholders
- Complete a draft Human Resources Policy (HRP) addressing key procedures, including those for staff training, recruitment, salary, and compensation
- Formalize procedures for land acquisition and compensation into a Land Acquisition and Compensation Framework Plan (LACP), which is to be incorporated in the overall management system
- Develop an Indigenous Peoples Consultation and Disclosure Plan (IPCDP), which prescribes procedures for prior and information consultation with indigenous communities.



IFC regularly monitored Maple's operations to assess and ensure compliance with relevant Performance Standard and other relevant criteria. IFC identified instances of compliances, but also instances of noncompliance, and repeatedly recommended steps to bring Maple into compliance. These are described below.

In September 2008, IFC reviewed Maple's EHSS to assess the implementation of actions prescribed in the ESAP. The review noted that Maple's Human Resources Policy had been amended to include a procedure for hiring and recruiting, an anti-discrimination policy, and a grievance system for workers. IFC also assessed evidence of Maple's compliance with national labor laws. Furthermore, IFC recommended that Maple should ensure that the workers' grievance system was applicable and readily accessible to contract workers, rapid responses to grievances were assured, and that grievances and suggestions would be appropriately filed and tracked.

IFC's review of Maple's EHSS in 2008 identified a lapse in the grievance systems section of the PCDP. Subsequently, IFC recommended this be amended and stipulated that grievances must be documented to ensure transparency. IFC conducted further analysis to determine the level of implementation of recommended actions. On that basis, IFC made additional recommendations to enable Maple to adequately implement the Performance Standards requirements to strengthen Maple's existing policies. In particular, IFC recommended that Maple demonstrate that it had developed the IPCDP with full participation and input from the indigenous communities. Based on dialogue that Maple stated it had with, and feedback received from, the Canaán and Nuevo Sucre communities on the preferred language of communication, IFC advised Maple to ensure that the PCDP and other project-related information be made readily available in Spanish.

In July 2009, IFC's Annual Monitoring Report (AMR) highlighted industrial safety as an issue that required monitoring, and emphasized the need for Maple to improve its training procedures. IFC also stated in the AMR that Maple had provided insufficient data to enable IFC to assess the company's compliance with the environmental and social requirements stipulated at the project investment approval phase. In addition, IFC stated that Maple did not provide any information on social engagement/consultation with the communities or evidence of having established grievance procedures. Following a series of oil spill incidents, IFC conducted a site visit in November 2009. Based on the site visit findings, IFC, in agreement with Maple, issued an updated Action Plan. The updated Action Plan was issued to reflect IFC's recommended actions to enable Maple to comply with relevant Performance Standards.

According to the Annual Monitoring Report of July 2010, IFC visited the site in May 2010 to assess the implementation and progress of the updated Action Plan. The report stated that Maple had implemented some of the recommended actions and continuous monitoring was being carried out. IFC also stated that these actions included (but were not limited to) monitoring the cleanup of the oil spills, assessing impacts to water and fauna, conducting a health assessment, and providing a potable water source for the community of Nuevo Sucre. The AMR concluded that a number of actions still needed to be followed up: specifically, on stakeholder engagement conducted, labor relations (for direct and contract hires), implementation of grievance mechanisms for both workers and the community, and summary of results of implementation of the IPDP.

Following a site visit in June 2011, IFC assessed Maple's implementation of the Action Plan, reviewed reports on the oil spills that had occurred, and concluded that Maple had implemented its contingency plan as required in the Action Plan. However, the Back to Office Report (BTOR) noted that there was insufficient personal protective equipment (PPE) available for the community

members hired to assist with the oil spill cleanup activities. According to IFC, this issue was flagged during the site visit. When the BTOR was prepared, IFC stated that Maple had installed a storage area for personal protective equipment within the Nuevo Sucre community. The BTOR also noted that Maple had implemented the recommended actions to address the training of community members in dealing with accidents, to improve the grievance management system, and to establish a community participatory monitoring program. However, the report highlighted the need for Maple to more widely communicate the grievance mechanism process. With regard to provision of health support, the BTOR states that following the oil spills, Maple has provided for medical evacuations, bimonthly medical support, and the delivery of medicine to health posts in the affected communities.

The August 2011 BTOR stated that Maple had a waste management plan established for all identified liquid, nonhazardous, and hazardous wastes. Additionally, the IFC report noted that Maple reinjects its produced water in the oil and gas fields. The BTOR also noted that Maple had developed emergency plans for its facilities, including oil spills contingency plans and fire fighting protocols. This oil spill contingency plan was applied when an oil spill occurred in July 2011 and oil reached a stream used by the Nuevo Sucre community. Community members were recruited and compensated for the cleanup activities. IFC acknowledged in the BTOR that Maple had addressed most of the recommendations highlighted in the 2010 ESAP.

4. Findings of the CAO Appraisal

IFC assured itself that Maple established a company Environmental and Social Management System (ESMS) in 2007, which included key operating procedures such as an oil spill contingency plan, emergency preparedness plans, stakeholder engagement plans, and waste disposal management. IFC assessed this ESMS, and made several recommendations to enhance it so as to comply with the requirements of the Performance Standards. For example, IFC recommended that Maple maintain sufficient personal protective equipment in the event of an oil spill emergency, train community members in addressing contingencies, and establish a community participatory monitoring program.

During the investment appraisal, IFC assessed Maple's environmental performance and identified specific Maple operations that posed potential risks that could cause significant environmental and social damage. Hence, in accordance with IFC's environmental and social review summary (ESRS) findings, IFC recommended a number of mitigation measures for Maple to implement. These recommendations were articulated in the ESAP, which Maple agreed to implement.

In addition, the ESRS stated that Maple should have safety precautions in place to monitor the safety of its personnel as well as the communities in which it operate. The ESRS further stated that Maple should provide training to communities on their emergency plans, and stipulated that explanation of emergency response activities should be done house by house. The ESRS also stated that Maple should have a waste management plan established to manage (handle, treat, store, and dispose of) all liquid, nonhazardous, and hazardous wastes. Furthermore, IFC stated in the ESRS and AMR that Maple should reinject its produced water in the oil and gas fields.

IFC sought to assure itself by reviewing project documentation provided by Maple. To that end, IFC stated in the ESRS that Maple had conducted an environmental impact assessment (EIA) for each of its oil fields, and each showed that there were no anticipated significant impacts to the environment and local communities within the vicinity that could not be mitigated. IFC further stated

that Maple had conducted supplemental socioeconomic surveys to identify nearby communities, including indigenous communities, which would be either directly or indirectly affected by the project development.

With regard to Maple's oil fields, IFC indicated that some economic impacts were associated with the use of community land. IFC stated that as of June 2007, when the ESRS was prepared, Maple was providing compensation to affected communities according to Peruvian government requirements. Additionally, IFC noted that Maple was advised to build on existing plans to develop an Indigenous Peoples Development Plan (IPDP) for communities whose traditional land and resources might be affected by Maple operations.

From the onset of the investment project, Maple, with IFC's assistance, developed and disclosed the agreed ESAP, which mandated the implementation of a PCDP and the IPCDP. The PCDP and IPCDP were designed to provide procedures for prior consultation and information sharing with affected communities. Upon implementation of the PCDP, IFC identified lapses in the grievance system and Maple was notified to make necessary amendments so as to ensure and maintain transparency.

Maple was also advised to consult with the affected communities, and based on feedback from the latter, to ensure the provision of culturally appropriate material in the language of choice of the communities. To strengthen inclusivity, Maple was advised that out of respect for the indigenous communities/culture, the communities should be allowed to determine the preferred language in which issues should be communicated to them. Based on feedback Maple stated it received from the communities, Maple determined that Spanish should be the communication language. IFC advised Maple to ensure that the provision of all project-related documents be readily available in Spanish.

According to IFC project documentation reviewed by the CAO, there is evidence that IFC has worked with Maple since the investment appraisal phase to identify and introduce measures to improve its Human Resources Policy. As part of the ESAP, IFC assured itself by advising Maple to develop an adequate Human Resources Policy. IFC recommended that Maple include key items such as the implementation of a grievance mechanism for its employees and the local communities, standards for salary and compensation for workers, and an anti-discrimination policy.

IFC also assured itself of Maple's environmental performance by conducting periodic site visits from the investment appraisal phase through post-disbursement. Following IFC's site visits and Maple's oil spill incidents, IFC proposed a number of actions in an updated ESAP for Maple to implement. The updated ESAP required Maple to conduct a health impact assessment, provide a reliable source of potable water to the affected communities, and generate temporary work and training for community members. According to the August 2011 BTOR, IFC indicated that Maple had attempted to address most of these recommended actions.

Conclusions of the CAO Appraisal

The CAO appraisal specifically examined how IFC, during its due diligence and monitoring, dealt with, or failed to deal with, issues related to the concerns raised in the complaint.

The CAO finds that at the investment appraisal phase, IFC was aware of and identified the same issues as later raised by the complainants regarding the project impacts. Based on IFC project



documentation reviewed by the CAO, IFC identified and defined actions to be implemented by Maple to address the environmental and social performance concerns identified.

This appraisal process finds that there is evidence of productive and collaborative relationship between IFC and Maple. IFC has worked with Maple from the inception of the investment project through to post-disbursement to identify deficiencies, and design and implement improvements in Maple's environmental performance. At the time of project appraisal, IFC assured itself by flagging the gaps in the company's existing environmental, social, and health plans. In order for Maple to effectively address the identified gaps, IFC recommended actions to be undertaken and also provided support for the development of a robust ESAP to act on the actions. IFC stated in the project summary that Maple indicated its commitment to implementing recommended measures.

The IFC documentation assessed by the CAO indicates that IFC made it a priority to monitor and conduct site visits, in order to follow-up and assess Maple's implementation of the actions required and recommendations made by IFC. With each site visit, IFC provided additional recommendations to ensure Maple's compliance. Overall, the CAO concludes that IFC focused on Maple's implementation of IFC's recommendations, as evidenced by IFC's continual monitoring site visits and follow-up recommendations.

Based on IFC project documentation reviewed by the CAO, it is evident that IFC identified and acted upon what it considered a concern regarding the pace in which Maple implemented the recommended actions. Some actions identified by IFC in 2007, and required to be implemented within six months, were not reported fully acted upon until 2011.

5. The CAO Decision

The CAO concludes that IFC has assured itself of the performance of the client. At the investment appraisal phase, IFC identified issues with Maple's environmental performance: particularly, those later raised by the complainants. IFC provided recommendations for these identified issues, such as development and disclosure of an Environmental and Social Action Plan, which mandated the implementation of a Public Consultation and Disclosure Plan designed to facilitate and ensure community involvement. In addition, IFC provided several recommendations to enhance Maple's environmental management systems: specifically, updating the oil spill contingency plan, improving the emergency preparedness plans and waste disposal management, providing adequate personal protective equipment, conducting a health impact assessment, and establishing grievance systems for both workers and community members.

With specific reference to engagement with and information disclosure to the affected communities in their preferred language, IFC assured itself by advising Maple to engage with the communities and allow them to choose the preferred language in which they want issues to be communicated to them. To this end, and based on feedback Maple stated it received from the communities, IFC advised Maple to ensure that project-related documents (information disclosure/consultation) were readily available in Spanish.

The CAO's review of IFC project documentation indicates that IFC made it a priority to monitor and follow-up on Maple's implementation of IFC's recommended actions. IFC committed resources to ensure that it would conduct continual site visits and review Maple's environmental performance.



With each site visit and performance review, IFC documented Maple's implemented actions and repeatedly flagged pending actions for Maple to act upon.

Based on IFC project documentation reviewed by the CAO, it is evident that IFC identified and acted upon what it considered a concern regarding the pace in which Maple implemented the recommended actions. Since IFC identified and acted on this concern regarding the client's pace, it does not constitute a failure on IFC's part to assure itself of the performance of the client. However, it does raise questions about IFC's assessment of the client's commitment and capacity to implement the actions identified in the ESAP. It also raises the question on how IFC exercises its accessible leverage to enforce the requirements and ensure implementation of agreed actions.

With regard to the appraisal question whether a compliance audit could yield information or findings that might better inform the application of policies (or other audit criteria) to future projects, the CAO finds that an audit of IFC's due diligence and monitoring of the investments related to Maple against the applicable policy provisions would yield limited information and be of limited value beyond what this appraisal has identified.

The CAO concludes that this case does not merit an audit of IFC's due diligence and monitoring of its involvement linked to the operations of Maple. The CAO will close this case with no further action.