



## **Office of the Compliance Advisor/Ombudsman (CAO)**

### **Terms of Reference**

#### **Background**

Environmental and social issues are among the most critical components of the mission of IFC and MIGA to deliver sustainable development through the private sector. To ensure that environmental and social issues are properly addressed, IFC and MIGA have continuously increased the resources and skills allocated to project reviews and have considerably strengthened the policies, guidelines and procedures that govern such reviews.

IFC and MIGA now have a centralized review and clearance function, independent from the line management of operations. IFC and MIGA realize that in this difficult and controversial area, the internal organization, however strong and independent, should be subject to outside scrutiny, regular audits and expert guidance. Furthermore, the concerns and complaints of people affected by projects financed or insured by IFC and MIGA have to be addressed in a manner that is fair, constructive and objective.

Accordingly, IFC and MIGA have decided to create a position of environmental and social Compliance Advisor Ombudsman as an additional pillar in building a credible and responsive structure to ensure that projects are environmentally and socially sound and enhance IFC's and MIGA's contribution to sustainable development. With the addition of the Ombudsman, IFC and MIGA will have:

- Strong in-house skills and adequate resources for environmental and social reviews and monitoring of projects.
- Clearly established and enforced policies, procedures and guidelines.
- Harmonization, coordination and sharing of skills with the World Bank.
- An Ombudsman independent of operational management.

The Ombudsman will operate under the following terms of reference.

#### **Scope of Work**

The role of the Ombudsman would include the following activities:

- To advise and assist IFC and MIGA in dealing with sensitive or controversial projects, either at the request of the President or IFC's or MIGA's management or on the suggestion of the Ombudsman. In addressing such projects, the Ombudsman would consult with the President and coordinate with IFC's or MIGA's management.

- To assist in dealing with complaints from external parties affected by IFC or MIGA projects. Outside complaints received by the Office of the President, IFC, MIGA, or the Ombudsman would be investigated by the Ombudsman, as appropriate, in consultation with affected parties, project sponsors, and IFC's or MIGA's management, following a flexible process aimed primarily at correcting project failures and achieving better results on the ground. In the course of his/her reviews, the Ombudsman may directly communicate with complainants and affected parties, while respecting the confidentiality of sensitive business information. The Ombudsman will report on his/her findings and recommendations to the President, who will determine what actions are required. The Ombudsman will also make recommendations to the President regarding to what extent and in what form the findings will be disclosed to the IFC or MIGA Board of Directors, affected parties and the public.
- To supervise reviews of IFC's and MIGA's overall environmental and social performance and sensitive projects, in order to ensure ex-post compliance with policies, guidelines, and procedures. Audits would be carried out with assistance of outside experts, either on a case-by-case basis or in accordance with a regular program.
- To provide advice to management on environmental and social policies, procedures, guidelines, resources and systems established to ensure adequate review and monitoring of IFC and MIGA projects. While the responsibility for these issues clearly rests with IFC's and MIGA's managements, the Ombudsman could be asked to provide comments.
- To provide advice at the request of IFC's or MIGA's environmental and social staff on specific project issues.
- To maintain close ties with the World Bank's ESSD Council to ensure consistency and harmonization of policies, guidelines, and procedures.

## **Organization**

The Ombudsman will be appointed by the President and will report to the President.

To carry out his/her mandate, the Ombudsman would liaise directly with the management and staff of IFC and MIGA, relevant World Bank staff, and members of IFC's and MIGA's Boards of Directors, if so requested. The Ombudsman would also maintain appropriate contacts with NGOs, civil society and the business community to the extent necessary to carry out his/her duties. These contacts would include the ability to communicate directly with complainants and affected parties, while respecting the confidentiality of sensitive business information. The Ombudsman would keep IFC or MIGA management informed of his/her contacts with complainants and affected parties. The Ombudsman will make periodic reports to the Boards on his/her activities.

The Ombudsman should be a full-time employee of IFC and MIGA at a level [e.g., Vice President level] that clearly reflects the importance of the role. He/she would be subject to the confidentiality provisions set forth in IFC's policy on disclosure of information and in the World Bank Group Staff Rules. The appointment would be for a period of three to five years, renewable by mutual consent. Since this position requires a high level of outside respect and trust by IFC's and MIGA's President, it will be at the discretion of the President to terminate the employment of the Ombudsman if the

President determines that the Ombudsman can no longer exercise the function with the required level of independence and authority.

The Ombudsman will be supported by a budget decided by the President adequate to cover the expenses of his/her office (including an assistant) and to recruit consultants or constitute expert panels for audits or independent reviews of controversial projects.

### **Qualifications**

The Ombudsman will be a person of high international recognition, impeccable integrity, great interpersonal skills, empathy and sound judgment. The following qualifications would be desirable:

- A successful record of dealing with a broad range of civil society, affected communities and NGOs through negotiation, participation and consultation.
- Knowledge and experience with environmental and social issues (technical expertise would not be required).
- Substantial understanding of and experience in the private sector business environment.
- Knowledge and experience with international development organizations and relevant NGOs.
- Solid academic and professional background.
- Ability to communicate with the media.