



## HAVE YOU HEARD ABOUT US?

The Office of the Compliance Advisor Ombudsman (CAO) gives a voice to communities impacted by private sector projects supported by the World Bank Group. As the independent accountability mechanism for the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA), CAO works with local communities, companies, civil society, and other stakeholders to help address complaints about IFC and MIGA projects in a manner that is fair, objective, and constructive, and enhance the social and environmental outcomes of those projects on the ground. CAO reports to the President of the World Bank Group. Find out more about who we are and what we do at [www.cao-ombudsman.org](http://www.cao-ombudsman.org).

## Dispute Resolution Outcomes in Cambodia, Albania and Colombia

### Cambodia: Implementation of initial agreements begins

In September 2015, interim agreements were reached through CAO's [dispute resolution process](#) between 14 indigenous communities and a Vietnamese company, Hoang Anh Gia Lai (HAGL), which operates rubber plantations in Ratanakiri Province, Cambodia. Representatives of the communities, company, provincial government and CAO participated in a spiritual ceremony on November 13, 2015 to kick-off implementation of the agreements. CAO's Vice President, Osvaldo Gratacós, traveled to Cambodia to participate in the ceremony. HAGL publicly apologized to the indigenous communities for the impact of the company's operations on their traditions.



Local community representatives receive support for village spirit ceremonies as company apologizes for adverse impacts, Cambodia (CAO).

### Albania and Colombia: Mediation helping to improve community engagement and communication

In Cajica, Colombia, the complainants and Alqueria, a large dairy producer, are engaging actively in a CAO dispute resolution process. A complaint to CAO in 2013 raised concerns about pollution from Alqueria's production activities. Through the CAO process, the parties are working together with jointly-selected independent experts to address several of the complaint

issues. In this case, [CAO's mediation process](#) has helped the parties move towards improving mechanisms for community engagement and communication.

In [Albania](#), local complainants and Kurum, an IFC client, agreed to a framework agreement in December 2015 to guide a CAO dispute resolution process. The process will help address a complaint filed to CAO by local residents living near Kurum's steel plant raising concerns about air pollution.

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## CAO shares Dispute Resolution Knowledge and Expertise

CAO's Dispute Resolution team has participated in a variety of knowledge sharing events over the past quarter to impart learning from cases. In September 2015, IFC invited CAO to participate in the South Gobi Water and Mining Industry Roundtable in Mongolia. CAO and local parties, including representatives from nomadic herder communities, Oyu Tolgoi LLC, and local government, shared experiences from CAO's ongoing [dispute resolution work](#) related to the Oyu Tolgoi copper mine. The meeting brought together representatives from 13 national and international mining companies operating in Mongolia's South Gobi region. For more information on the roundtable see:

<https://commdev.org/south-gobi-water-and-mining-industry-roundtable/>

In Beijing and Washington, DC, CAO hosted joint learning sessions with IFC following the closure of CAO's [five-year dispute resolution process](#) related to the IFC-supported Sihanoukville Airport project in Cambodia. Through the CAO process, affected communities, the project operator and Cambodian government worked together to address concerns related to land acquisition and resettlement.

In addition, CAO presented at the International Academy of Mediators' fall 2015 Conference on the application of



Meeting of herder and company representatives with CAO mediator in Mongolia (Felix Davey/CAO).

mediation in complex development disputes internationally—specifically, finding common ground between communities impacted by development projects and the private sector. In November, CAO shared insights on designing effective company-level grievance mechanisms at the fourth annual UN Forum on Business and Human Rights in Geneva. In December 2015, CAO presented to members of the Business for Social Responsibility network on case experiences and how mediation has worked, a presentation organized by the International Mediators Community of Practice.

## CAO Releases Investigation Report of IFC Investment in Coal Plant through Private Equity Fund, India

In November 2015, CAO finalized its [compliance investigation](#) of IFC's investment in the India Infrastructure Fund, a private equity fund in India. CAO's investigation explored whether there were shortcomings in IFC's review and supervision of the Fund and its investment in a 1050 megawatt (MW) coal-based power plant, GMR Kamalanga Energy Limited (GKEL), in Odisha.

CAO's involvement was triggered in 2011 following a complaint from local communities raising concerns about the impacts of the power plant, which they alleged were having significant, negative impacts

on community health, livelihoods, and human rights.

IFC invested in the Fund in 2008 recognizing that the nature and scale of projects it would finance would have potential significant environmental and social (E&S) impacts on local communities. In financing projects with significant E&S risks through financial intermediaries, IFC's approach is to support its clients in developing their own E&S management systems, which in the case of high-risk investments should ensure compliance with IFC's E&S standards. In this case, CAO investigated whether or not this approach

through the Fund delivered IFC's intended outcomes.

Specifically, CAO's investigation analyzed the Fund's E&S due diligence, combined with the expected scale of the Fund's projects in India, and the subsequent level of risk the investment posed for IFC. The investigation explored concerns raised by IFC staff regarding the Fund's due diligence, including related to the Kamalanga project, and actions taken by IFC to bring its client into compliance during a period when IFC continued both ongoing and new investments in the Fund. During this time, the Kamalanga project transitioned from



GMR plant under construction in Dhenkanal District, Odisha, India (CAO).

construction to operation. CAO's investigation analyzed whether this increased the risk of irreversible, adverse impacts on the complainants.

The CAO report and IFC's official response are available on CAO's website at [www.cao-ombudsman.org](http://www.cao-ombudsman.org).

## CAO initiates compliance investigation of IFC related to container terminal in Togo



Lomé, Togo (CAO).

In November 2015, CAO initiated a compliance investigation of IFC's investment in the [Lomé Container Terminal](#), a category A project to construct a greenfield container terminal within the Port of Lomé, Togo. CAO's involvement was triggered in March 2015 by a complaint

from a group of riverine settlers who claim to be negatively impacted by the construction of the project. The case was referred to CAO Compliance at the request of the parties following CAO's assessment of the complaint in June 2015.

## Monitoring reports of IFC mining project in Peru and global investments in financial intermediaries

In October 2015, CAO released its first monitoring report following a 2014 [compliance investigation](#) of IFC's involvement in the Quellaveco copper mine in Peru. CAO acknowledged actions initiated by IFC in response to some of the investigation findings at the level of IFC's policies and procedures, but noted that IFC has not reported any action that addresses CAO's project level findings. The case remains open in monitoring.

Also in October, CAO released a [second monitoring report](#) related to its compliance audit of IFC's investments in global financial intermediaries. The monitoring report considers actions taken by IFC in response to the 2013 audit findings and subsequent Ficohsa investigation.

## CAO Advisory Adds New Staff

CAO is adding a new, full time staff member to its Advisory team in January 2016. This will provide much needed support for CAO's Advisory work as the office seeks to generate more lessons from its casework through various advisory products, including advisory memos, workshops, and advisory notes.

As part of efforts to increase engagement with IFC/MIGA on learning from CAO cases, CAO participated in IFC's "KNovember" knowledge sharing month in November 2015, hosting a learning event based on insights from 15 years of

cases. The presentation included an interactive discussion on environmental and social challenges faced by IFC/MIGA and their clients, particularly related to community engagement.

Over the past quarter, Advisory has also started to receive and analyze data from its updated monitoring and evaluation (M&E) system. A year into revisions to the M&E system, CAO is seeing a steady improvement in response rates from stakeholders involved in its cases. Click [here](#) for more information about CAO's Advisory role.

## CAO CASE TRACKER FY16

For more information about CAO cases, see [www.cao-ombudsman.org/cases](http://www.cao-ombudsman.org/cases)

### NEW ELIGIBLE CASE, Q2

(OCTOBER 1 – DECEMBER 31, 2015)

#### Nicaragua:

Ingenio Montelimar

#### Date received:

October 2015

#### Sector:

Agribusiness (sugar)

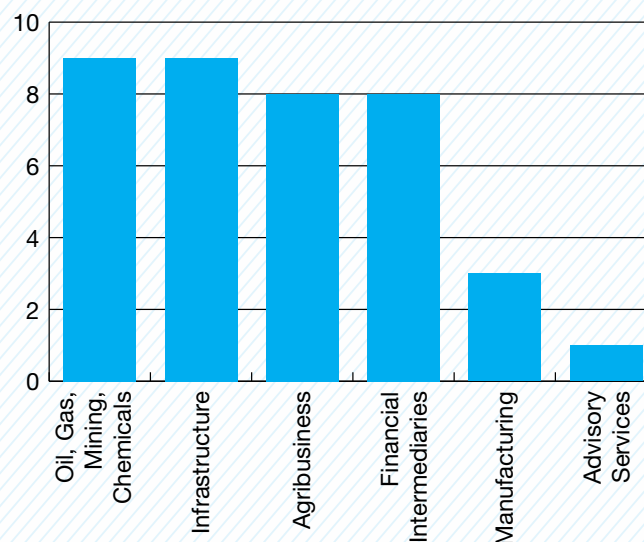
#### Issues:

Community health & safety, environmental pollution, land tenure, and information disclosure

### STATUS OF OPEN CASES

|                             |    |
|-----------------------------|----|
| Cases in assessment         | 7  |
| Cases in Dispute Resolution | 15 |
| Cases in Compliance         | 21 |

### OPEN CASES BY SECTOR



### LIST OF COUNTRIES CAO IS CURRENTLY WORKING IN

1. Albania
2. Armenia
3. Cambodia
4. Cameroon
5. Chad
6. Colombia
7. Egypt
8. Guatemala
9. Honduras
10. India
11. Indonesia
12. Malaysia
13. Mongolia
14. Nicaragua
15. Peru
16. South Africa
17. Togo
18. Uganda
19. Ukraine

## Outreach Strengthens CAO's Engagement with Key Constituencies

### Peru: Latin America Regional Outreach Workshop and World Bank Group Annual Meetings

In October 2015, CAO joined other Independent Accountability Mechanisms (IAMs) to host an outreach workshop in Lima for Latin American civil society organizations (CSOs). The workshop brought together 100 civil society representatives, indigenous leaders, and accountability experts from over 15 Latin American countries to discuss community redress, environmental and social policy compliance, and projects financed by international development banks in the region.

The workshop was co-hosted by CAO, the World Bank Inspection Panel, and the complaints mechanisms of the Inter-American Development Bank and European Investment Bank, together with five regional CSOs: Derecho, Ambiente y Recursos Naturales (DAR) from Peru; Asociación Ambiente y Sociedad (AAS) from Colombia; Centro de Analisis e Investigacion (FUNDAR) from Mexico; Fundacion para el Desarrollo de Politicas Sustentables (FUNDEPS) from Argentina; and Bank Information Center (BIC) from the United States.

The workshop served to broaden understanding between the mechanisms and regional CSOs, and provided an

opportunity to exchange experiences and discuss broader accountability trends. The day concluded with a reception headlined by Peruvian Environment Minister, Manuel Pulgar-Vidal.

The workshop preceded the World Bank Group Annual Meetings in Lima where CAO hosted a discussion at the Civil Society Policy forum and engaged with other delegates.

### Myanmar: Cyber Outreach with Civil Society

In conjunction with the Inspection Panel, CAO held a virtual outreach meeting with CSOs from Myanmar in November 2015. The meeting—organized by IFI Watch Myanmar Initiative, Myanmar Alliance for Transparency and Accountability, and Karen Environmental and Social Action Network, with support from the National Resource Governance Institute and BIC—was attended by some 35 representatives from rural communities throughout Myanmar. The discussion focused on the respective roles of CAO and the Inspection Panel, and CSOs shared their concerns regarding accountability issues related to the World Bank Group's portfolio in Myanmar.



Participants in Yangon connect to CAO via video link for an outreach in November 2015 (Photo: Jelson Garcia).

### Annual Meeting of the Independent Accountability Mechanisms, Paris, December 2015

CAO participated in the Annual Meeting of the Independent Accountability Mechanisms (IAMs) of the multilateral and bilateral development banks in Paris, December 2015. As a community of practice, the IAM network meets annually to share learning, discuss common challenges, and initiatives related to their mandates as complaints mechanisms. The two day meeting of IAMs followed an outreach day, including a roundtable with CSOs to discuss key issues related to the work of the mechanisms and their effectiveness. The next annual meeting of the mechanisms will take place in Manila in 2016.

## UPCOMING EVENTS

### Investing in African Mining Indaba, Cape Town, February 8-11, 2016

In February, CAO will be participating in *Investing in African Mining Indaba*, an annual mining conference in Cape Town focused on challenges and opportunities of the African mining industry. [www.miningindaba.com](http://www.miningindaba.com)

### World Bank Group Land and Poverty Conference, Washington, D.C., March 14-18, 2016

CAO will be a part of the 17th Annual World Bank Conference on Land and Poverty, with the theme of 'Scaling up Responsible Land Governance'. See <http://goo.gl/zRmA77> for more details.

## FOR MORE INFORMATION

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