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 engages local communities, companies, civil society and other stakeholders to improve project outcomes, and enhance the public accountability of IFC and MIGA. Find out more about who we are and what we do at [www.cao-ombudsman.org](http://www.cao-ombudsman.org).

### Parties Prepare to Embark on Second Joint Fact Finding Process in Mongolia

In Mongolia, parties are preparing to begin a second joint fact finding (JFF) process. This second JFF will include a socio-economic study of herder households intended to independently map changes in livelihoods and socio-economic conditions over the last decade, and a study which will complete the assessment of project impacts on the main tributary of the Undai River. The studies are being conducted by independent experts jointly selected by the local parties.

Through the Khanbogd Tripartite Council (TPC), a council with equal representation from local herders, local authorities and Oyu Tolgoi (the company), the parties have jointly selected independent experts to assess project impacts as part of the mediation process. The first JFF process, which is now complete, focused on the construction and design of the Undai River’s main diversion, and its direct and indirect impacts on herders’ pastures, access to water, and water quality and quantity.

In February 2015, the parties and independent experts took part in a JFF workshop, organized by CAO, aimed at providing information and awareness around outstanding complaint issues. They also discussed other JFF examples and good practices from around the world covering important aspects of the process such as developing the study methodology, collecting and analyzing data and finding cooperative solutions. The JFF findings and results should be available by the end of 2016.

Herders, Oyu Tolgoi representatives, local government and independent experts meet as the second joint fact-finding process begins, February 2016 (CAO).
In Nicaragua
Parties Continue
to Address
the Impacts
of Chronic
Kidney Disease
(CKD) Beyond
CAO’s Dispute
Resolution
Process

In August 2015, CAO concluded a three and a half year dialogue process between a sugarcane producer, Nicaragua Sugar Estates Limited (NSEL), and ASOCHIVIDA, an association of former sugarcane workers suffering from chronic kidney disease (CKD). The dialogue process improved the nature of the relationship between NSEL and ASOCHIVIDA, and helped to galvanize efforts to address the impacts of CKD at a national and regional level. The dialogue process expanded the scientific study on the causality of the disease into a regional initiative. As part of its exit from the case, CAO conducted a series of meetings in January 2016 with the parties (NSEL and ASOCHIVIDA), their advisors, and IFC and other stakeholders involved such as the Pan American Health Organization, World Bank and Inter-American Development Bank (IDB) representatives. These meetings provided an opportunity for the parties to reflect on the process, and to think about how the initiatives and relationships built through dialogue could continue to shape a broader public policy response to the healthcare challenge posed by CKD in the region. CAO also shared lessons with the World Bank Group. While CAO has now concluded its involvement in the case, the parties have committed to continue working together, along with local, national and regional stakeholders to continue addressing the needs of families affected by CKD.

CAO Advisory Develops New Knowledge-Sharing Initiatives

Over the course of the past quarter, CAO’s Advisory team has worked to finalize a grievance mechanism toolkit that will be made available to World Bank Group staff, civil society organizations, corporations and the general public in the coming weeks. The toolkit is designed to provide practical resources for anyone working in the grievance mechanism space, with a particular focus on sectors and types of projects that have not been highlighted in other grievance mechanism toolkits and guides. In addition, Advisory participated in a number of knowledge-sharing exercises this quarter. As part of an interdepartmental initiative, staff presented their work and the role of Advisory within CAO to IFC’s legal team. CAO’s Advisory held meetings with civil society organizations, such as the International Accountability Project, as the function continued to engage with CSOs when possible. The team also had discussions with advisory units from other institutions. In these meetings, Advisory exchanged best practices for evaluating cases, disseminating lessons and conducting monitoring. The CAO Advisory team continues to maintain and develop CAO’s office-wide monitoring and evaluation system. Along with sustaining the current systems, Advisory explored the possibility of introducing new innovative survey instruments that would allow the office to measure the sustainability of its outcomes, as well as the uptake of its recommendations. CAO Advisory has also begun work on a systematic analysis of lessons from its entire caseload as a means to create an accessible database of issues that will serve as a foundation for robust advice and lessons. Click here for more information on CAO’s Advisory role.
CAO Releases First Monitoring Report of IFC Investment in Banco Ficohsa, Honduras

In January 2016, CAO released its first monitoring report following a 2014 compliance investigation of IFC’s investment in Banco Ficohsa in Honduras. CAO’s monitoring report welcomes steps IFC has taken to support the development of its client’s environmental and social risk management systems. At the same time CAO concludes that measures taken to date by IFC only partly address the project level non-compliance findings. In relation to Ficohsa’s financing for Corporacion Dinant, the trigger for CAO’s 2014 compliance investigation, CAO notes positively, that in March 2015, following a joint site visit to Dinant, IFC supported Ficohsa to develop a new environmental and social action plan (ESAP) for Dinant. To date, however, CAO concludes that IFC has not assured itself that Ficohsa’s ongoing financing for Dinant is contingent on binding commitments to implement IFC’s Performance Standards, either through its loan agreements or the ESAP. The case remains open in monitoring.

CAO CASE TRACKER FY16
(As of April 7, 2016)

STATUS OF OPEN CASES

<table>
<thead>
<tr>
<th>Cases in assessment</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cases in Dispute Resolution</td>
<td>15</td>
</tr>
<tr>
<td>Cases in Compliance</td>
<td>22</td>
</tr>
</tbody>
</table>

LIST OF COUNTRIES CAO IS CURRENTLY WORKING IN

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

For more information about CAO cases, see www.cao-ombudsman.org/cases
CAO Reaching Out

India Outreach: On February 5, 2016 CAO hosted an outreach workshop in New Delhi, for Indian civil society organizations. The roundtable discussion was designed to solicit feedback from groups who have brought complaints to CAO. The outreach event also provided CAO with the opportunity to explain in more detail CAO's dispute resolution function. Participants wanted to see CAO play a stronger role in overseeing the environmental and social performance of IFC and MIGA projects. At the same time they raised concerns with the length of time some CAO processes take. In some instances, participants expressed frustration with what was seen as a lack of responsiveness by IFC and MIGA to CAO’s findings, meaning that complainants’ concerns remained unaddressed. In other instances, participants indicated that CAO’s involvement had helped complainants to bring their issues to light, resulting in positive changes on the ground.

CAO Launches Peer Review of Compliance Reports

This quarter, CAO has initiated a peer review of its compliance reports. The CAO Advisory team is coordinating this process, as part of the ongoing development of CAO’s office wide monitoring and evaluation system. A new element of the compliance monitoring and evaluation framework, the peer review process is designed to provide expert feedback on the robustness of CAO’s compliance appraisal and investigation reports. CAO sees the peer review process as supporting its own commitment to accountability and continuous improvement in the quality of the work it produces. This year will act as a pilot for the review, with the goal being to develop a methodology which can be replicated on a regular basis.

University of Washington Law School Class: On February 17, 2016, specialists from CAO’s Dispute Resolution and Compliance functions gave a virtual lecture to students from the University of Washington Law School, introducing students to CAO’s work over the past 15 years. The guest lecture provided students with an opportunity to discuss CAO’s three roles, outcomes from CAO’s past casework, how CAO’s different functions are triggered and CAO’s mandate.

IPIECA Social ResponsibilityWorking Group Meeting: On March 14, 2016, CAO participated in the International Petroleum Industry Environmental Conservation Association’s (IPIECA) Social Responsibility Working Group Meeting, presenting on ‘CAO Experience and Lessons Handling Community Grievances’. The goal of CAO’s presentation was to share knowledge gained from CAO’s casework on common challenges that affected communities face in accessing company grievance mechanisms, and to build the conversation on good practices for establishing effective company grievance mechanisms.

George Washington University Law School Class: On March 15, 2016, CAO was invited to give a guest lecture for the Alternative Dispute Resolution (ADR) course at George Washington University Law School. CAO presented on its role as an accountability mechanism and ombuds office, with a focus on its dispute resolution experience, and held a lively and interactive discussion with students.

CAO gave a guest lecture at the law school on its role.

UPCOMING EVENTS

WBG Spring Meetings, Washington D.C., April 11-15, 2016

In April, CAO will participate at the World Bank Group Annual Meetings in Washington D.C, hosting a lunch with Civil Society (April 13, 12:30-1:30 pm) and a panel discussion (2:00-3:30 pm) during the Civil Society Forum.

IAIA-16 Conference, Aichi-Nagoya, May 11-14, 2016

CAO will be a part of the International Association for Impact Assessment 2016 Conference, with the theme of ‘Resilience and Sustainability’.

FOR MORE INFORMATION

CONTACT US
Compliance Advisor Ombudsman (CAO)
2121 Pennsylvania Avenue NW
Washington, DC 20433, USA
Email: CAO@worldbankgroup.org

www.cao-ombudsman.org
www.twitter.com/CAOoffice
www.facebook.com/CAOoffice