Progress for Parties through Dialogue in Indonesia

A CAO dialogue process in Indonesia between local community representatives and a hydropower project operator has led to the successful negotiation and resolution of land issues associated with the project. The company and community members also agreed on a framework for regular communication moving forward.

The MIGA-supported Rajamandala Hydropower project in West Java involves the development of a 27-megawatt (MW) run-of-river hydropower plant near Bandung. CAO has been facilitating a dialogue process since August 2016 following a complaint filed by a local youth organization on behalf of a local family. The complaint alleged that tunnel construction associated with the project has negatively impacted the family’s paddy field. During CAO’s assessment of the complaint, representatives of the village and company expressed interest in strengthening their communication going forward. CAO supported the parties through a joint workshop and the parties agreed to meet monthly to address any issues of concern and enhance their collaboration. CAO monitored the successful implementation of the agreements for three months and has now concluded its involvement.

CAO Facilitates Private Sector-Community Dialogue in Albania

In Albania, CAO is currently addressing three complaints related to IFC projects in the hydropower and oil sectors. In an attempt to understand why projects in the country are resulting in complaints from local stakeholders, CAO decided to foster a conversation between the private sector and civil society about how conflicts related to development projects may be mitigated, or dealt with constructively.

The workshop, organized jointly with IFC and facilitated by CAO in Tirana last Fall, was attended by civil society organizations, local communities, mediation professionals, and national and international companies, including IFC staff and clients. Participants discussed ways to better engage communities in project consultations and underscored the lack of trust in Albania and need for transparency and openness around projects. They talked about the opportunity for more meaningful dialogue, informing communities about technical issues, and improving the quality and credibility of expert panels involved in environmental and social impact assessments.

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CAO Releases Compliance Investigation of IFC Investment in Tea Estates in India

CAO has released its compliance investigation of IFC’s investment in Amalgamated Plantations Private Limited (APPL), the second largest producer and supplier of tea in India. The investigation, published in November 2016, finds that while IFC’s investment in the company had potential for significant development impact, there were shortcomings in IFC’s assessment and management of environmental and social risks related to the project.

IFC’s equity investment in the company was intended to support an employee-owned plantation model, and tea workers were offered the opportunity to purchase shares in the company as part of the investment. CAO’s investigation was initiated in 2013, in connection to concerns raised by workers regarding living and working conditions on the tea estates, two security incidents, and the employee share ownership program.

Given the vulnerable status of workers on the tea estates and the company’s responsibility to provide a range of basic services to those workers, CAO’s investigation found shortcomings in IFC’s pre-investment environmental and social review which led to insufficiently detailed mitigation measures that did not address key project risks. CAO also identified a number of compliance issues related to IFC’s assessment and supervision of living and working conditions on the plantations, reported use of banned pesticides, information disclosure, and response to security incidents. IFC issued a formal response to the investigation findings and CAO is now monitoring the case.

CAO Facilitates Private Sector-Community Dialogue in Albania

“I appreciated the opportunity for a variety of stakeholders to come together in a neutral setting to discuss learnings and start thinking of ways to reduce conflicts in the future related to the extractive sector,” said Robert Carss, Vice President at Bankers Petroleum, an IFC client. “Access to the land is one of our biggest challenges in the extractive sector, and we require the ability to have meaningful dialogue between affected and interested parties to minimize impacts and conflict.”

Dorina Topoviti, a community member, noted, “I hope and believe that we are representing not only Albania but [beyond], and I like that we are on the same page.”

“It was great to see IFC clients engaging with other participants not only on issues specific to their situation, but the broader structural issues that can impede effective dialogue in Albania,” said Richard Caines, an IFC Principal Environmental and Social Specialist.

“Helping convene dialogue to address development challenges is an expertise CAO can bring to IFC, its clients, and community members. Initiatives like this offer a great opportunity for companies and communities to build understanding and discuss compatible solutions,” said Osvaldo Gratacos, CAO Vice President.
CAO Releases Compliance Investigation of IFC Investment in Lomé Container Terminal, Togo

CAO has released a compliance investigation of IFC’s investment in Lomé Container Terminal (LCT), a transshipment container terminal within the Port of Lomé, Togo. The investigation, released October 2016, identified a number of non-compliances in IFC’s appraisal and supervision of the project, particularly in relation to IFC’s identification and management of the project’s potential risks and impacts on coastal erosion, as well as stakeholder engagement around those risks and impacts.

The investigation was initiated in response to a 2015 complaint from an organization representing a group of riverine settlers who claim to be negatively impacted by the construction of the project. They alleged that the project is causing land erosion issues in their communities and that they were not consulted or informed about the project.

IFC has issued a formal response to the investigation and CAO is monitoring IFC’s actions to the investigation findings.

CAO Welcomes Senior Compliance Specialist, Serge Selwan

In December 2016, CAO welcomed Serge Selwan, a Senior Compliance Specialist, to the CAO team on a two-year assignment from the World Bank Inspection Panel. Serge brings with him more than 15 years of experience in the field of accountability, having joined the Inspection Panel in 2001. He has worked on complaints concerning a wide variety of development projects, including infrastructure projects causing involuntary resettlement, indigenous peoples, forests, and other natural resources.

Learning from Conflict: CAO engages IFC Staff

Through its Advisory role, CAO continues to engage IFC on lessons learned from its work. As part of these efforts, in November 2016, CAO staff participated in IFC’s month-long “Knovember” learning event for staff across the institution in November 2016. CAO’s session explored “Opportunities in Conflict” and how IFC staff can achieve improved outcomes for project beneficiaries. CAO discussed the types of issues that underlie complaints in various IFC sectors and outlined the mediation techniques that CAO has used through its Dispute Resolution function to help resolve these issues with local communities and IFC clients. The event culminated in an open discussion between CAO and IFC staff about how to resolve conflict, support redress for affected parties, and, ultimately, improve development outcomes at IFC.

CAO Website Redesign

During 2017, CAO will embark on a website redesign. We are soliciting feedback on CAO’s current site and what features users would like to see in the new website. Please participate and share your views through this short survey, accessible through this link:

https://www.surveymonkey.com/r/T3P3THF
CAO Outreach in Ukraine and Colombia

CAO participated in two regional outreach events during the last quarter in collaboration with other independent accountability mechanisms. In November 2016, CAO traveled to Kiev, Ukraine for a workshop hosted by CEE Bankwatch Network, a regional civil society organization (CSO), together with the independent accountability mechanisms of the European Investment Bank, European Bank for Reconstruction and Development, US Overseas Private Investment Corporation, Black Sea Trade and Development Bank, and World Bank Inspection Panel. The workshop was attended by 75 CSOs from Albania, Armenia, Azerbaijan, Bulgaria, Georgia, Moldova, and Ukraine.

In December, CAO joined more than 50 CSOs from across Colombia for a one-day workshop in Bogotá. The workshop, co-hosted by the Inter-American Development Bank’s mechanism together with CAO and the Inspection Panel, was organized with Asociación Ambiente y Sociedad, a Colombian CSO, and GREFI, a civil society network from the Latin American region. The workshop featured former Colombian Minister of the Environment and renowned academic, Manuel Rodriguez, as a guest speaker. Both outreach events served to improve awareness about CAO and allowed CAO to receive feedback on CSOs’ experiences. Discussions also focused on access to project information, community safety, and managing expectations with regard to the accountability mechanisms’ mandates.

Participants complete a group activity during the Colombia outreach workshop, December 2016. (Photo: CAO)