

Have you heard about us? The Office of the Compliance Advisor Ombudsman (CAO) is the independent accountability mechanism for the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA), members of the World Bank Group. CAO addresses grievances from people impacted by IFC and MIGA projects with the goal of improving environmental and social (E&S) outcomes. For more information, see www.cao-ombudsman.org.

Chad Mediation leads to Agreement between Affected Community Representatives and Pipeline Operator



One of the moral leaders who observed and accompanied the dialogue process addresses the community meeting at which the agreement is read aloud and explained (Photo: CAO).

In Chad, representatives of affected communities in the oil producing region and Esso Exploration and Production Chad (EEPCI), the Chadian operator of the Chad-Cameroon Pipeline, signed an agreement in January addressing a series of community concerns related to the oil production project. The [agreement](#) is the result of a [dialogue process](#) convened by CAO since 2013.

The project involved the construction of a 1070 kilometer (km) pipeline to transport crude oil from three fields in southwestern Chad to a floating facility 11 km off the Cameroon coast. Local communities raised concerns to CAO related to poverty exacerbation, reduction of arable land, loss of livelihood, pollution, inadequate compensation, and lack of adequate monitoring and assessment mechanisms. The CAO dialogue process brought together EEPCI and civil society groups representing over 20,000 local farmers and other community members affected by the project. A group of moral observers, consisting of senior clerics representing the main faiths of the region and a Cantonal leader, also observed and accompanied the process.

The agreement reached includes the rehabilitation of rural road infrastructure to benefit local communities and ongoing company support for local developmental priorities. EEPCI and representatives of the affected communities have agreed to continue regular dialogue through a newly established bilateral forum designed to address past and future issues. Following the official signing of the agreement by the parties, CAO will monitor implementation of agreements reached.

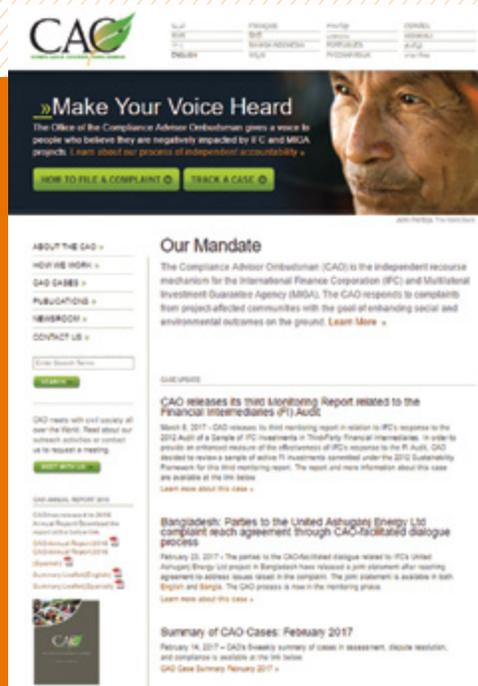
Monitoring of IFC Regarding Coal-Fired Power Plant in India

CAO released its second [monitoring report](#) of IFC's response to the Tata Ultra Mega Audit. The audit was initiated in 2011 after CAO received a complaint from fishing communities impacted by an IFC-financed power plant on the coast of Mundra, in the state of Gujarat, India. The complainants raised concerns that the plant's construction and operation could negatively impact their environment, livelihoods, and health. The audit, published in 2013, validated key aspects of the complaint, including that the complainants were not adequately considered at the time the project's E&S risks and impacts were identified and addressed.

CAO's monitoring report draws on contributions from IFC, its client, and the complainants, and from a monitoring visit to Mundra carried out by CAO in February 2016. The report identifies an outstanding need for a rapid, participatory, and expressly remedial approach to assessing and addressing project impacts raised by the complainants. CAO intends to carry out another monitoring visit in April 2017 in coordination with the Asian Development Bank's (ADB) Compliance Review Panel, which has also been addressing a complaint regarding ADB's involvement in the project. More information about the case is available [here](#).



CAO visits IFC's Tata Mundra project in India (Photo: CAO).



CAO's Website: Share your Feedback!

CAO is soliciting feedback on its website to inform a complete redesign process during 2017. What features would you like to see on the new site? Your inputs are important! Please participate and share your views through this short survey: <https://www.surveymonkey.com/r/T3P3THE>

IFC Financial Intermediary Investments: CAO Releases Monitoring Report

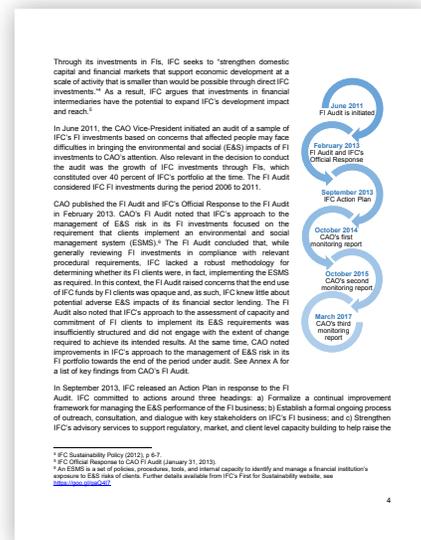
CAO continues to monitor IFC actions in response to its 2012 Audit of IFC's Financial Intermediary (FI) investments, and released a third [monitoring report](#) in March 2017. As of fiscal year (FY) 2016, IFC's FI portfolio represented approximately 45 percent (US\$20.4 billion) of IFC's long-term committed portfolio. For the monitoring report, CAO reviewed a sample of 38 FI investments to provide insights into the development of IFC's approach since the completion of the audit.

The monitoring report concluded that the quality and intensity of IFC's review and supervision of FI investments has improved since the release of the FI audit. At the same time, CAO flagged ongoing concerns that IFC does not, in general, have a basis to assess FI clients' compliance with its environmental

and social (E&S) requirements. This is of particular concern in cases where FI clients are financing projects with significant E&S risk and where IFC does not have assurance that its E&S standards are being implemented.

CAO noted a number of good practice examples which could be built upon and expanded to improve IFC's E&S performance in relation to its FI portfolio.

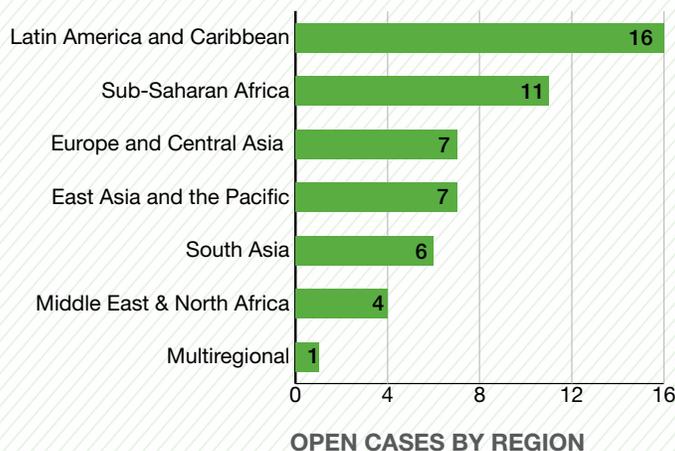
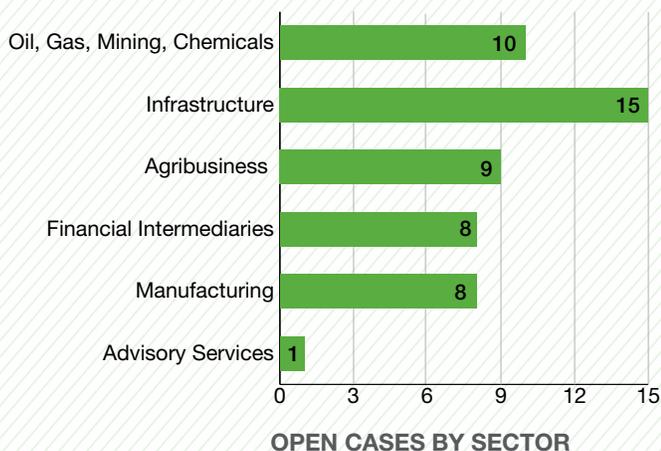
Due to the nature of the issues and the systemic changes required to address the 2012 audit findings, CAO expects to carry out its next FI monitoring exercise in 2019.



CAO CASE TRACKER FY17

As of March 31, 2017.

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



FOR MORE INFORMATION

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