

# CAO Update

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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 outcomes on the ground. For more information, see [www.cao-ombudsman.org](http://www.cao-ombudsman.org).

## New CAO Policy Enhances Environmental and Social Accountability of IFC and MIGA

The IFC and MIGA Boards of Directors have approved a new IFC/MIGA Independent Accountability Mechanism (**CAO Policy**), effective July 1, 2021. The new policy, which builds on two decades of CAO experience and reflects recommendations from an independent **External Review**, reflects feedback from **extensive public consultations** with CAO complainants, civil society organizations, IFC and MIGA clients, development finance institutions, independent accountability mechanisms, and other key stakeholders.

The new **CAO Policy** strengthens accountability at IFC and MIGA with a focus on facilitating access to remedy for project-affected people. Like the World Bank's Accountability Mechanism, comprising the **Inspection Panel** and new Dispute Resolution Service, CAO will report to the Boards under the new policy.

The policy promotes people's access to CAO and respects complainants' choice in the process, while providing more opportunities for IFC, MIGA, and clients to resolve complaints early and proactively. Importantly, it integrates an approach to threats and reprisals, which is a growing area of concern among complainants in many countries.

The policy also includes clearer eligibility requirements for complaints related to financial intermediaries (FI) and supply chains and complaints may be considered, in exceptional circumstances, on projects post-exit by IFC and MIGA for up to 15 months.

The policy enhances the compliance process and the role of IFC/MIGA management in responding to findings through timebound, remedial action plans developed in consultation with clients and complainants. The policy also promotes dissemination of information about CAO and grievance mechanisms to ensure they are known to project-affected communities.



Community members in Uganda meet with the CAO during the assessment of a complaint. Photo Credit: CAO

**“The CAO Policy demonstrates a strong, shared commitment to problem-solving and accountability with the goal of improving the outcomes of IFC and MIGA projects on the ground. Communities come to CAO for remedy and accountability and I am pleased that the policy addresses these issues. People will benefit from a more responsive CAO process—one that I believe will deliver for all stakeholders.”**

**Janine Ferretti, Compliance Advisor Ombudsman Director-General (CAO-DG), World Bank Group**

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The CAO Policy is available in English, Arabic, Chinese, French, Japanese, Portuguese, Russian and Spanish. All new cases received after July 1, 2021, will be processed under the new policy. Ongoing CAO cases received prior to July 1, 2021, will transition to the new policy after concluding their current stage of the CAO process.

For more details on the new CAO Policy, [click here](#).

**“...The Compliance Advisor Ombudsman is a vital resource to help people raise and resolve concerns and make our private sector investments more effective.”**

**David Malpass, President of the World Bank Group.**

**“We are proud of the new CAO Policy, which was achieved after a robust review process and extensive collaboration and consultation. It demonstrates IFC and MIGA shareholders’ commitment to accountability and development effectiveness. CAO has an important role in supporting IFC’s and MIGA’s ambitious development agenda and bringing value to our stakeholders, especially host communities.”**

**Rajesh Khullar, Chair of the Board’s Committee on Development Effectiveness (CODE)**

## DISPUTE RESOLUTION

### CAO Summit Attracts Global Expertise to Discuss Lessons from a Decade of Dispute Resolution

In May 2021, CAO hosted its biannual Mediator Summit with a focus on gleaning lessons learned from the last 10 years of dispute resolution in the international development context. The immersive three-day event drew 100 participants, including CAO’s global network of mediators and members of the public, to interact through a virtual platform.

The goal of the summit, which was titled, “Looking Back, Moving Forward,” was to retrospectively examine knowledge and lessons from CAO’s dispute resolution practice since 2010, identify gaps, and discuss future opportunities.

Sessions offered real-time knowledge sharing on dispute resolution from all perspectives and provided CAO specialists with the opportunity to engage in peer-to-peer learning, strengthening its global network of mediators.

Discussions on the first day of the summit, which was held on May 26, 2021, were open to the public and included video highlights of dynamic conversations between community groups, civil society organizations, private sector, and dispute resolution professionals about the value and the challenges of using mediation to resolve development disputes. Discussions also focus on ways in which organizations are sharpening the effectiveness of grievance mechanisms to achieve remedial provisions for project-affected people.



CAO’s virtual mediator summit used an innovative online platform. Photo: CAO

More than 35 CAO mediators participated in practical trainings on gender inclusivity and mediation process design on May 27 and 28, 2021. Mediators also gained the chance to network and discuss technical, administrative and substantive issues with CAO staff and their peers. These sessions were reserved for CAO mediators, with the purpose of honing expertise, skills, and knowledge.

The event concluded with positive feedback from participants, who appreciated the inclusion of useful resources throughout, the “unique website design,” and the opportunity to connect, learn, and experience lessons from decade of mediation, with insights towards greater future impact.



## One Year on: Resolving Disputes Despite a Global Pandemic

Since March 2020, when the COVID-19 pandemic suspended international travel and normal operations, CAO accepted eight new complaints, which have all been processed remotely. Three of these complaints relate to renewable energy projects in Jordan. In these cases, CAO used various tools to conduct online assessments, also offering technical support to the parties involved, including training them on negotiation strategies and other conflict resolution skills prior to engaging in dispute resolution processes and capacity building to help the parties better understand the CAO process utilizing video presentations. CAO has experimented with various web platforms, particularly those that utilize lower bandwidth and feature simultaneous interpretation tools that enhance fluidity in communication when two or more languages are used.

Challenges in assessing complaints also arose. Many stakeholders lacked access to the internet or private spaces for confidential meetings. Despite these challenges, assessments were completed. In all three cases from Jordan, the parties agreed to engage in a virtual dispute resolution process, although one case was recently transferred to CAO's Compliance function.

Mediating virtually presents unique challenges, which can make establishing trust more difficult, and in turn, lengthen the time it takes for dispute resolution processes to become more effective. For instance, building trust often requires that parties get familiar at a personal level. This often happens organically when parties are in the same space—engaging during formal meetings, and also in more informal ways in-between meetings, during coffee breaks, or while on joint site visits. Online meetings do not easily enable in-depth conversations to take place, compared to in-person gatherings, which may then lengthen the mediation process.



Online meeting between the CAO team and complainant representatives in a dispute resolution process in Cambodia. Photo: Equitable Cambodia.

Despite these challenges, engaging online presents some opportunities, including broadening access to a wider team of experts and professionals, allowing flexibility and greater accessibility for participation. While mediators are typically hired from the location of the parties, in these cases from Jordan, the online format enabled our processes to broaden and include Jordanian mediators based in other countries. Through this, a highly qualified mediator with knowledge of the country and local context was engaged in the process, aiding our goal of keeping the dialogue going to resolve issues for everyone involved, regardless of the context.

Over a year since the COVID-19 pandemic hit, CAO's 14 current dispute resolution processes are still going strong, and with remote access, CAO's dispute resolution has continued to have a positive impact for communities and companies.

### OUTREACH

## Enhancing Accountability, Engaging Civil Society and Local Organizations in Asia and Europe

During June 2021, CAO organized a series of outreach webinars with civil society organizations in Vietnam, Cambodia, and Uzbekistan. About 80 groups attended these webinars from the three countries. Discussion plenaries were interactive, with numerous questions and comments from both civil society and representatives from various independent accountability mechanisms (IAMs). Issues discussed included how dispute resolution processes work, whether CAO handles complaints on projects financed by financial intermediaries such as banks, what kind of complaints are eligible, how organizations promoting accountability can protect complainants from reprisals, and lessons learned from recent cases.

In the Vietnam webinar held on June 1 and 2, over 20 Vietnamese civil society organizations (CSOs) participated from a variety of sectors—including community development, human rights, donor accountability, and indigenous people's groups. The event was co-hosted by CAO and the World Bank Inspection Panel, the Project-affected People's Mechanism (PPM) of the Asian Infrastructure Investment Bank (AIIB), and several CSOs, including International Accountability Project, Inclusive Development International, and Oxfam Vietnam. Presentations highlighted the role of accountability in international development and underscored how the mechanisms can benefit project-affected communities. Civil society and community representatives sought clarification

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about the eligibility criteria of each IAM, case handling in the context of COVID-19, and the protection of complainants, among other topics.

The second event was held on June 15 and 16 for civil society groups in Cambodia and was co-hosted by Inclusive Development International together with CAO, the Inspection Panel, and AIIB's PPM. Some 35 organizations participated whose work focuses on community development, indigenous peoples, environmental health, and human rights. The event included presentations from civil society and community representatives who shared their experiences of several past CAO and Inspection Panel cases in Cambodia, including a case related to the Phnom Penh Airport development (CAO) and the Land Management and Administration Project (LMAP) case (Inspection Panel). In an open and frank exchange of views, the representatives acknowledged the positive contributions of the IAMs, while at the same time noting the limitations in terms of remedial actions achieved for project-affected communities.

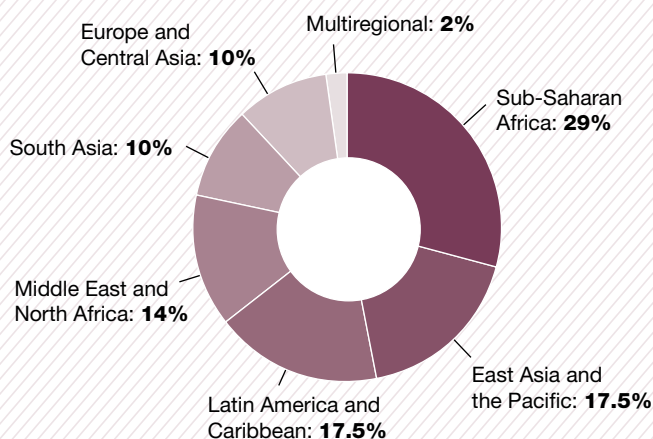
The outreach webinar for Uzbekistan took place on June 23 and 24. About 25 Uzbek groups participated in the two-part webinar. In addition to presentations by IAMs about their respective functions and case studies, the CSO representatives were also given the floor to share their own experiences, from providing practical guidance to communities on access to project information, to leading the "Cotton Campaign" on eradicating forced labor in cotton production in Central Asia. The Q&A sessions were highly engaging, where IAM representatives discussed the opportunities and challenges associated with dispute resolution and compliance processes, how concerns of reprisals and retaliation against complainants are addressed, and also responded to questions regarding the new CAO Policy, which came into effect on July 1, 2021. The Independent Project Accountability Mechanism (IPAM) of the European Bank for Reconstruction and Development (EBRD) joined CAO, the Inspection Panel, and AIIB's PPM to host the event, together with CSO partners, International Accountability Project, the Uzbek Forum for Human Rights, and CEE Bankwatch Network.

## CAO CASE TRACKER FY21

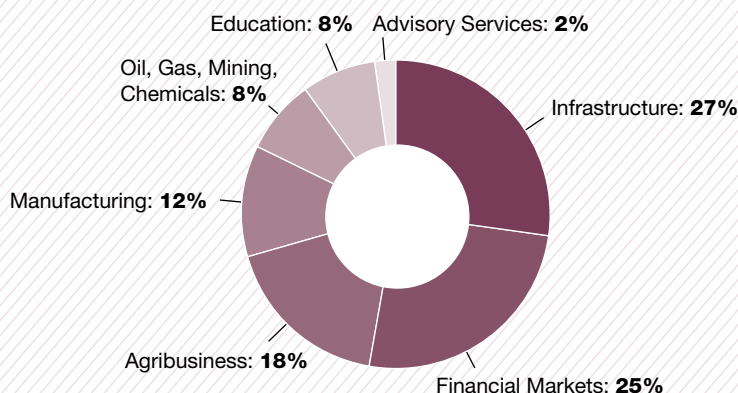
Status as of June 30, 2021. For more information, visit [www.cao-ombudsman.org/cases](http://www.cao-ombudsman.org/cases)

At the end of the fiscal year, CAO's caseload comprised of 51 cases in 29 countries. The graphic below highlights the breakdown of cases by region and sector.

### CASES BY REGION



### CASES BY SECTOR



## FOR MORE INFORMATION

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