



CAO Procedure

Conflict of Interest for the Recruitment and Mobility of Staff of the Office of Compliance Advisor Ombudsman (CAO)

Content

This Procedure sets out the principles and steps to identify and manage perceived conflicts of interest for the recruitment and mobility of staff of the CAO.

Applicable to

Staff of the CAO

Issuer

Director General, CAO

Sponsor

Director General, CAO

Issued and effective

January 1, 2024

SECTION I – PURPOSE AND APPLICATION

This Conflict-of-Interest Procedure (“Procedure”) provides guidance to the Office of Compliance Advisor Ombudsman (CAO) staff on how to apply the provisions of the CAO Policy and Staff Rules in the context of CAO’s recruitment and staff mobility decisions. Specifically, the Procedure sets out the expectations and steps for CAO staff to identify risks of conflict of interest (COI) and develop mitigation measures commensurate with the risk level. This Procedure also sets forth COI risk considerations for the recruitment of staff from the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA) for positions at CAO.

This Procedure applies to all CAO staff. Risk-based guidelines shall be applied based on staff grades.

SECTION II – DEFINITIONS

CAO DG. CAO Director General.

CAO Leadership Team. CAO DG, CAO Heads of Functions and COA DG Advisor.

CAO specialist-level staff. CAO staff at Grade GF or above, but not a Head of Function.

CAO staff (or staff). Any individual with any type of contract with CAO, including open and term, extended-term consultant (ETC), extended-term temporary (ETT), short-term consultant (STC), and short-term temporary (STT).

Close relative. As defined in Staff Rule 4.01, including categories 1 and 2.

Conflict of interest (COI). Occurs when a staff person’s personal interests diverge from the interests of the CAO, including any scenario that undermines CAO’s commitments and mandate. Examples of situations with the potential of COI include, Staff having a financial conflicts of interest, public expressions of personal views or opinions, political activity such as becoming a candidate for, or accepting an appointment to, a public office, engaging in overtly partisan political activity, personal or professional affiliations with external organizations such as board positions or advisory roles, former and subsequent employment, and family and personal relationships that could hinder their impartiality on a particular matter.

Domestic partner. As defined in Staff Rule 1.01.

Head of Function. Head of CAO Advisory, Communications, Compliance, or Dispute Resolution Teams.

Hiring manager. CAO staff member responsible for making final hiring decisions.

Institution/s. International Bank for Reconstruction and Development (IBRD), International Development Association (IDA), International Finance Corporation (IFC), and/or Multilateral Investment Guarantee Agency (MIGA).

Materiality. The risk that the identified conflict is of such magnitude that it is likely to affect the process, findings, conclusions, or recommendations of CAO's work.

Ethics and Internal Justice Services Vice-Presidency (EIJ). The unit responsible for the development and application of the highest ethical standards used by World Bank Group staff and consultants in performance of their duties.

Parties. Those engaged in a CAO process, usually including IFC, MIGA, IFC/MIGA clients, complainants, and representatives of complainants.

Procedure. CAO Conflict of Interest Procedure.

Project. A business activity that IFC or MIGA is supporting (financing or advisory). For additional explanation, see CAO Policy definition.

Staff rules. World Bank Group Staff Rules.

Task team leader. The individual with the primary responsibility for delivering an assigned task.

SECTION III – SCOPE

Policy Requirements

- The Principle of Staff Employment 3 provides that “staff members having a special responsibility to avoid situations and activities that ... lead to real or apparent conflicts of interest.” As an Independent Accountability Mechanism, avoiding conflicts of interest is of utmost importance to the CAO. Conflicts of interest could undermine CAO's ability to respond in the interest of the parties, and any actual or perceived conflict of interest may cause harm to CAO's reputation and mandate of impartiality and independence.
- The IFC/MIGA Independent Accountability Mechanism (CAO) Policy (CAO Policy) states that “making provisions to avoid conflicts of interest” is part of the CAO's core principle of “Independence and Impartiality” (para. 10a.). More specifically, the CAO Policy states that when “a CAO staff or consultant has a conflict of interest about a particular case, that person will withdraw from involvement in that case” (para. 22).
- The CAO Policy (para. 22) prohibits CAO staff¹ at the specialist level (GF or above) from obtaining employment at IFC or MIGA for two years after the end of their engagement with CAO, subject to mutually agreed exceptions between the CAO Director General (CAO DG) and IFC's Human Resources Vice President or a member of MIGA Senior

¹ “CAO staff” includes all persons holding World Bank Group appointments as defined in Staff Rule 4.01 (Appointment), para. 2.01, including short-term consultants (STCs).

Management for Human Resources. Staff Rule 4.01 (Appointment), paragraph 5.05 (Conflict of Interest), requires the selection of a manager to ensure that the proposed employment is consistent with the Principle of Staff Employment 3.

- CAO Policy also provides that, in exceptional circumstances, contractual arrangements with CAO consultants may impose time-bound restrictions on their future involvement with IFC or MIGA.
- CAO Policy does not restrict IFC or MIGA staff from seeking employment with CAO, except for the CAO DG, who may not work for any World Bank Group institution in any employment category following employment at CAO.

Principles

The following principles will be applied when assessing and developing strategies to manage COI risks:

- *Avoid or mitigate conflict of interest.* CAO's objective is to avoid or mitigate instances of perceived or actual COI among CAO staff.
- *Early identification.* COI risks shall be assessed and identified as early as possible and always before making a human-resources-related decision (e.g., hiring or transfer).
- *Risk-based approach.* The processes to assess and mitigate COI risks shall be commensurate with the likelihood of COI risks materializing and their impact.
- *Confidentiality.* All assessment and mitigation measures shall abide by the highest standards of respect for the confidentiality of the information, particularly personal information, treated in accordance with the [World Bank Group Policy on Personal Data Privacy](#).
- *Complementarity.* The Procedure complements other World Bank Group policies, procedures, and staff rules. Where there is a conflict between this Procedure and the World Bank Group Principles of Staff Employment or Staff Rules, the latter take precedence.
- *Primary responsibility.* CAO staff are primarily responsible for identifying COI and have a duty to report conflicts to the relevant Task Team Leader and Head of Function.

Procedure to Manage COI Risks in Recruitment Processes

To identify and manage COI risks early in the recruitment process, CAO staff must comply with the below measures.

For the CAO DG:

- The selection process for the CAO DG is specified in CAO Policy, paras. 13-17, which explains that candidates for the position should be external to the World Bank Group, except for CAO staff, who may apply for the CAO DG position.

- The selection of the CAO DG should include a complete COI risk assessment in consultation with the Ethics and Internal Justice Services Vice-Presidency (EIJ).
- CAO Policy restricts the CAO DG from obtaining employment at the World Bank Group after the completion of their term.

For other CAO staff:

Action Steps	Responsible Party	Output/Documentation
Add screening questions to the job posting.	Human Resources Department	Answers to screening questions in the recruitment system (see annex I)
If a COI flag is identified for a potentially short-listed candidate, request clarifications before including the candidate on the short-list. If the hiring manager considers the COI risks to be low or moderate, and provided that other panel members agree, then the candidate can be included on the short list and for next steps in the recruitment process.	Hiring manager or delegate	Candidate clarifications documented in an email added to the recruitment process documentation
If the candidate is among the top two selected, request that the candidate respond to the full COI risk questionnaire using CAO's caseload, staff roster, and stakeholder list on CAO's website as input.	Hiring manager or delegate informing panel members	Confidential record of candidate's responses added to the recruitment process documentation
Perform a COI risk analysis and define a mitigation strategy that is commensurate to the level of risk.	Hiring manager or delegate	Confidential record of mitigation strategy (see template in annex II)
Request EIJ's advice on and nonobjection to potential mitigation strategies.	Hiring manager or delegate	Confidential record of EIJ's advice and nonobjection
Finalize and share the mitigation strategy with the recruitment panel and the CAO DG.	Hiring manager or delegate	Confidential record of mitigation strategy
Complete the recruitment process.	Human Resources Department	Signed letter of agreement
Share the COI mitigation plan with the CAO DG, the CAO DG Advisor, and Head of Function. Depending on the extent of limitations, the plan may need to be shared with other relevant staff.	Hiring manager or delegate	Email distribution
Announce the hiring of the candidate within CAO and to external audiences.	Hiring manager or delegate	Email and CAO website

COI Risk Considerations for the Recruitment of IFC/MIGA Staff

CAO's objective in its approach to the hiring of IFC or MIGA staff is to ensure that there are no circumstances that could lead to perceived or actual COI. Although CAO Policy does not restrict IFC/MIGA staff from seeking employment at CAO, it recognizes that hiring IFC/MIGA staff for specialist-level and higher positions may create COI risks that are difficult to mitigate. Below are some of the risks, possible mitigation measures and implications of hiring IFC/MIGA Staff for CAO's specialist-level and higher positions.

Risk	Mitigation Measures	Residual Risk
Reputational. Actual and perceived COI can have an adverse impact on CAO's reputation for independence and neutrality. The level or risk is higher for managerial-level positions.	<ul style="list-style-type: none"> • Conduct a COI analysis. • Consult with EIJ. • Have a cooling-off period. 	<ul style="list-style-type: none"> • High. Mitigation measures might not be enough to mitigate the reputational risk due to the perception of COI.
Operational. A significant number of case recusals overcomplicates case-handling process and interactions with stakeholders.	<ul style="list-style-type: none"> • Define clear guidelines for case recusals. 	<ul style="list-style-type: none"> • Medium. Mitigation measures would reduce the impact. Close monitoring is required.

Given the significant COI risk in hiring IFC/MIGA staff for CAO specialist-level and higher positions, CAO will review applications for positions from IFC/MIGA staff carefully. At an early stage, CAO will conduct a COI risk analysis as part of the screening process to assess the viability of the candidate's application and set a 20 percent threshold for case recusals. Given that risks are higher for managerial-level positions due to the associated decision-making authority, following the COI risk analysis and consultation with EIJ, there could be limitations to selecting IFC/MIGA staff for managerial-level positions at the CAO.

Procedure to Manage COI Risks in Staff Mobility

Below are the provisions for consideration of COI risks for CAO staff to seek: (1) employment in any category at IFC/MIGA involved in a CAO case; (2) development assignment/secondment; or (3) employment in any category with an IFC/MIGA client, civil society organization (CSO), or nongovernmental organization (NGO).

1. Procedure for managing employment limitations at IFC/MIGA

CAO Grade	Limitations and Procedure
CAO DG	According to the CAO Policy, the CAO DG cannot work for any World Bank Group institution in any employment category following CAO employment.
CAO staff grade GF-GI	According to the CAO Policy, the default position is that there is a two-year cooling-off period following CAO staff employment.

CAO Grade	Limitations and Procedure
	<p>The CAO DG can provide an exception if, after conducting a documented COI analysis of the staff member's work at CAO and their expected work at IFC/MIGA the following conditions are met:</p> <ul style="list-style-type: none"> • COI risk is considered nonexistent or manageable with the implementation of mitigation actions such as the CAO staff's recusal from involvement in projects with CAO cases in which they had been involved during their work at CAO over the past five years. • Consultations with EIJ on a COI analysis and mitigation measures does not raise any objections. • There is concurrence from the Vice President of Human Resources at IFC or a member of Senior Management responsible for Human Resources at MIGA. <p>Good practice would be for the CAO staff to inform their direct supervisor, the CAO DG, or the CAO DG Adviser, at the time of their application for the position so that the supervisor can promptly assess whether there is any potential COI with the staff's CAO role and the advertised IFC/MIGA role.</p> <p>Even considering the above measures, the CAO DG can use its discretion to deny an exemption to the two-year cooling off period prior to employment at IFC/MIGA.</p> <p>Given that COI risks might be too high and difficult to mitigate for CAO staff in managerial positions (Level GG and above), it is very unlikely that the CAO DG would grant an exception for CAO managers to seek employment with IFC/MIGA.</p>
CAO staff GA-GE	<p>CAO staff should consider:</p> <ul style="list-style-type: none"> • Informing their direct supervisor, the CAO DG, or the CAO DG Advisor at the time they receive an invitation for an interview for an advertised IFC/MIGA role. This will allow the CAO to promptly assess whether there is any possible COI between the staff member's CAO role and the IFC/MIGA role. • Consulting EIJ on any perceived COI risks and mitigation measures required to limit COI risks such as the CAO staff member recusing themselves from involvement in projects associated with CAO cases for up to five years. • Informing the CAO supervisor, the CAO DG, and the receiving IFC/MIGA department of the results of the EIJ consultation.
Short-Term Consultant	<p>In accordance with Staff Rule 3.02 (Employment Outside the Bank Group), paragraph 4.02 (Dealing with Future Employers and Employment After Separation), CAO staff shall not seek employment with an IFC/MIGA client, a CSO, or an NGO that involves tasks substantially related to a consultant's activities at CAO (e.g., working on the same case/project) prior to a two-year cooling-off period. In some instances, EIJ may be required to provide advice to CAO staff if they seek to work on the same case/project at IFC/MIGA.</p> <p><i>Example: A CAO consultant who works on the Philippine Bank case does not seek a role at IFC where the main duties involve implementing actions in</i></p>

CAO Grade	Limitations and Procedure
	<p><i>response to a CAO case on the Philippine Bank that the CAO consultant worked on. This does not preclude the consultant from obtaining other roles at IFC/MIGA. The same example is applicable for an IFC/MIGA client, a CSO, or an NGO.</i></p> <p>Where a STC obtains a role with IFC/MIGA, the consultant should seek EIJ advice on any perceived or actual COI prior to accepting the position and should agree to abide by any advice provided by the EIJ.</p>

2. Procedure for managing developmental assignments at IFC/MIGA and secondments outside the World Bank Group

CAO Grade	Limitations
CAO DG	As per the CAO Policy, the CAO DG cannot work for any World Bank Group Institution in any employment category post CAO employment.
Staff Grades GA-GI	<p>In addition to any other CAO/Staff Rules criteria for a development assignment, where a development assignment is to IFC/MIGA, the CAO DG approves the DA if after conducting a documented COI analysis of the CAO staff member's work at CAO and their expected work at IFC/MIGA, the following conditions are met:</p> <ul style="list-style-type: none"> • COI risk is considered nonexistent, or manageable upon implementation of mitigation actions such as the CAO staff member's recusal from involvement in projects with associated CAO cases for at least 2 years. • EIJ is consulted for its assessment of the CAO DG's conflict of interest analysis and proposed mitigation measures to be implemented, if any. • The expected tasks in the development assignment are unlikely to result in a subsequent COI for the staff member upon their return to CAO. Where there are expected to be additional COI for the staff member on return to CAO, this may limit DA opportunities or have future restrictions on the staff member's role upon returning to CAO. <p>Where CAO DG agrees to a secondment to another institution, the staff member must complete a COI assessment of any possible COI between their CAO role and expected duties during their secondment. Where COI is identified, the staff member agrees to mitigation measures proposed by CAO DG. The CAO DG may seek advice of EIJ.</p>

3. Procedure to manage employment limitations for an IFC/MIGA client, CSO, or NGO

In accordance with Staff Rule 3.02 (Employment Outside the Bank Group), paragraph 4.02 (Dealing with Future Employers and Employment After Separation), CAO staff do not seek employment for two years with any IFC/MIGA client, CSO, or NGO on CAO case-related activities with which the staff member has had substantive engagement unless a waiver of this prohibition is granted by the CAO DG.

Example: A CAO staff member led a CAO compliance investigation of a Philippine Bank. Subsequently, the Philippine Bank advertised a role to handle its engagement with CAO and the response to a CAO case. The CAO staff member cannot apply for this role. This restriction does not prevent the CAO staff member from applying for other non-CAO or non-IFC related roles at the Philippine Bank. The same scenario would apply in cases where a CSO or NGO advertised a role to support its work of representing communities in the same case.

SECTION IV – EXCEPTION

N/A

SECTION V – WAIVER

The Issuer may waive any provision of this Procedure.

SECTION VI – OTHER PROVISIONS

N/A

SECTION VII – TEMPORARY PROVISIONS

N/A

SECTION VIII – EFFECTIVE DATE

This Procedure is effective as of December 1, 2023.

SECTION IX – ISSUER

The Issuer of this Procedure is the Director General, CAO.

SECTION X – SPONSOR

The Sponsor of this Procedure is the Director General, CAO.

SECTION XI – RELATED DOCUMENTS

The IFC/MIGA Independent Accountability Mechanism Policy (“CAO Policy”)

[World Bank Group Policy on Personal Data Privacy](#).

Principles of Staff Employment

Staff Rule 3.02

Staff Rule 3.03

Staff Rule 4.01

Staff Rule 4.02

ANNEXES

Annex I. Screening Questions for Early Detection of Conflict-of-Interest Risks in Recruitment

1. To the best of your knowledge, have you had any direct or indirect involvement in any CAO active case? Please refer to the list of CAO cases on the [CAO's website](#).
2. Do you have any personal, family, professional or financial relationships relationship with any CAO staff or partner? Please refer to the list of staff and partners on the [CAO's website](#)

Annex II. Staff Recruitment: Conflict-of-Interest Risk Assessment and Mitigation Strategy Template

Objective

This analysis seeks to identify risks of conflict of interest (COI) related to the competitive selection of [name of CAO staff]. It also formulates corresponding risk mitigation strategies to be implemented once [name of CAO staff] starts the job.

Methodology

The following questions, reviewed by the Ethics and Internal Justice Services Vice-Presidency (EIJ), were asked and discussed with [name of CAO staff]. A list of the CAO's active caseload, CAO staff, and CAO partners was shared with [name of CAO staff] to facilitate their inputs.

1. Have you had any direct or indirect involvement in any CAO active case, including but not limited to your prior work for any other accountability mechanisms?
2. Do you have any relationship with the CSOs currently supporting CAO's active caseload?
3. Do you have any relationship with any CAO staff?
4. Have you had any direct or indirect involvement with any other CAO work, such as CAO advisory work?
5. Are there any other perceived conflicts of interest that you would like to make us aware of?

COI Risks Identified

As a result of follow-up discussions and consultations with the Ethics and Internal Justice Services Vice-Presidency, the following risks of conflict of interest have been identified:

1. Risk No. 1
2. Risk No. 2
3. Risk No. 3

COI Risk Mitigation Strategy

[Name of CAO staff] will recuse themselves from any involvement in the handling of the cases identified above until those cases are closed. All technical reviews, guidance, approvals, and representations related to these cases will be the responsibility of [name of CAO staff]. CAO compliance specialists in charge of handling these cases will report directly to the CAO DG on their case deliverables.

Monitoring and Evaluation

In the event that COI risks emerge in other cases or other aspects of CAO work, [name of CAO staff] will raise this matter to the [name of CAO staff] and the Ethics and Internal Justice Services Vice-Presidency (EIJ) for assessment and advice. This mitigation strategy will be reviewed on an annual basis and shared with the CAO team.

Questions regarding this Procedure should be addressed to Director General, CAO (sponsor)
