



**THE CAO'S THREE EFFECTIVENESS REVIEWS:  
CONTEXT, CONTENT, AND RESULTS**

*A Summary of CAO's 2003, 2006, and 2010 Effectiveness Reviews*

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Office of the Compliance Advisor Ombudsman  
*for the International Finance Corporation and  
Multilateral Investment Guarantee Agency*

[www.cao-ombudsman.org](http://www.cao-ombudsman.org)

## Overview

The Office of the Compliance Advisor Ombudsman (CAO) has initiated independent reviews of its effectiveness regularly since the Office was established in 1999 (see timeline, figure 1). The first review was conducted in 2003, after the CAO's first three years of operations. The second was initiated three years later, in 2006, and was followed by a third review four years later, in 2010.

The reviews have focused on three main questions:

1. Is the CAO delivering on its mandate?
2. What are the areas for improvement?
3. Where are the CAO's strengths?

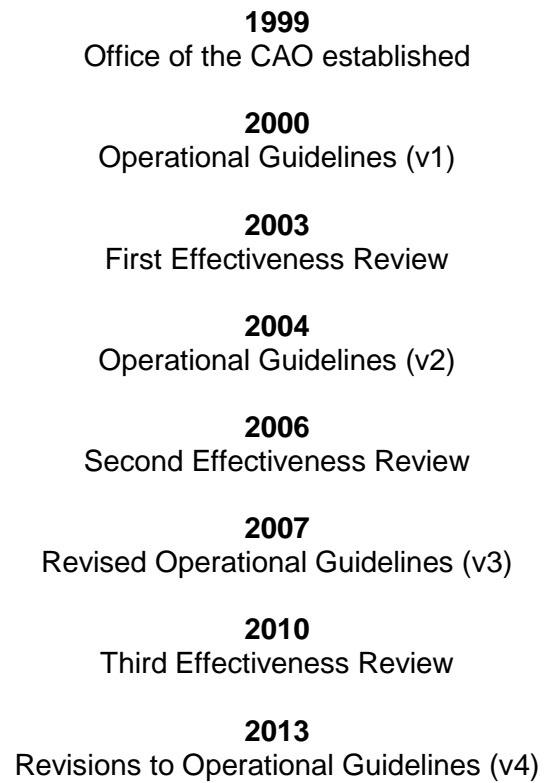
The CAO has used the reviews to adapt and change. All three reviews led to specific process improvements to the CAO's three main roles—its ombudsman, compliance, and advisory functions. These improvements were formalized in revisions to the CAO's Operational Guidelines in 2004, 2007, and 2012, which set out how the CAO carries out its three roles and provide the framework governing the CAO's engagement with its key constituents (see box 1 for details on successive improvements to CAO's Operational Guidelines).

Each of the CAO reviews was conducted by independent experts. The first two reviews were external and sought input from the CAO's diverse clients and stakeholders, including:

- Project affected communities
- IFC/MIGA senior management
- World Bank Group Board members
- IFC/MIGA environmental, social, and investment staff
- World Bank Group evaluation units
- IFC/MIGA private sector clients
- Other development banks
- Development and advocacy NGOs
- Civil society experts.

The third review was an internal review of CAO operations that was concluded in 2010 prior to a review by World Bank Board's Committee on Governance and Administrative Matters (COGAM) on the five independent offices of the World Bank Group (known as the 5 "I's").

**Figure 1. Timeline of CAO Effectiveness Reviews**



## **The 2003 Review: An Effectiveness Review**

The CAO management made a decision three years into operations to commission an independent review to assess the effectiveness of the CAO's three roles and their integration under the umbrella of a single office. This decision was supported by the CAO's Reference Group, which advised the CAO during its first five years of operations, and by the World Bank's Committee on Development Effectiveness (CODE). The external review team was appointed in April 2003.

### **Who were the reviewers?**

The review was conducted by a three-member team of external experts who had no close affiliation with the World Bank Group, the CAO, its advisors, or IFC/MIGA clients (see bios, 2003 review, annex C).

- **Benjamin Dysart**, Team Leader: An environmental engineer specialized in corporate social responsibility and environmental risk management with public and private sector expertise; former president and chairman of the board of the National Wildlife Federation.
- **Antonia Handler Chayes**: An adjunct Lecturer in Public Policy at the John F. Kennedy School of Government at Harvard University, and Vice Chair and Senior Advisor of the Conflict Management Group (CMG), a nonprofit conflict resolution firm.
- **Timothy Murphy**: An environmental consultant and former head of Environmental Appraisal, European Bank for Reconstruction and Development (EBRD).

### **What did the review address?**

The review was organized around several key questions:

- How effectively at that time was the CAO performing its three roles: ombudsman, compliance, and advisor?
- How well did internal and external stakeholders understand the value of the CAO's work and to what extent did they believe that that CAO was achieving its objectives?
- What changes, if any, should be made in the CAO's Terms of Reference and how the CAO worked at that time to improve its effectiveness in enhancing the social and environmental outcomes of IFC and MIGA projects?

### **What methodology did the team use?**

The team held discussions with than 100 people, including CAO staff (8) and members of the CAO Reference Group (8); others in IFC (20) and MIGA (5); staff in the World Bank Group (IBRD-12; GEF-2), and in other international financial institutions (IFIs) (10); representatives of civil society (17); IFC/MIGA project sponsors (8); and other observers of the CAO's work (for a full list, see 2003 Report). A questionnaire was sent to relevant people who could not be interviewed, including NGOs, project sponsors, complainants, CAO Reference Group members, business and civil society representatives, and staff of IFC, MIGA, and other IFIs. Team members made site visits to Yanacocha (Peru) and Pangué (Chile), where the CAO had made interventions. The team synthesized the results in an assessment of the CAO's effectiveness, including a comparison with the Independent Accountability Mechanisms of other IFIs.

### **What were some of the main issues highlighted by the review team?**

The review team identified a number of main issues:

- The CAO Office did not have a formal structure.
- The process was not “certain.”
- There were weaknesses in the CAO's record keeping.
- The CAO, on occasion, was slow to respond and assess complaints.
- The staff was overextended.
- There was uncertainty in the sequencing between the CAO's ombudsman and compliance roles.
- There were ambiguities in the advisory role.

### **What were the main recommendations?**

The team made 19 recommendations covering the main aspects of the CAO's work. The recommendations fell broadly into the following categories:

- **Respond to complaints in a timely and effective manner:** The CAO should take steps to respond to and resolve complaints in a timely way, to keep its documentation up to date, to maintain confidentiality, and to disseminate lessons learned.
- **Clarify the process for compliance audits:** The CAO should have the authority to initiate its own compliance audits (this independent authority needed to be reinstated) and be attentive to how confidential information is handled between the CAO's ombudsman and compliance roles (that is, an information “firewall” should be reinforced).
- **Strengthen the CAO's advisory role:** The CAO should avoid project-specific advice and instead focus on strategic issues and trends, and on measures to prevent conflict. Clear rules regarding the CAO's advisory work should be drawn up, including provision of resources to conduct the work.
- **Improve coordination with IFC/MIGA:** IFC/MIGA clients should be informed of the CAO's role; the CAO should encourage IFC/MIGA to use more mediation and grievance procedures in the design of complex projects; and the CAO should coordinate better with the World Bank Group evaluation units with social and environmental oversight of IFC/MIGA projects.

A summary of the full list of recommendations from the 2003 Review appears in appendix A.

### **What were the main outcomes of the review?**

**Update of the CAO's Operational Guidelines.** The recommendations formed the basis for updating the CAO's Operational Guidelines, which were originally drafted in 2000. The changes made broadly served to improve the CAO's reporting and documentation related to its ombudsman case handling; provided greater clarity about the CAO's compliance process; and clarified the CAO's advisory role (see box, p. 6).

**Greater integration of grievance mechanism in IFC and MIGA work.** With regard to the recommendations relevant to IFC/MIGA, IFC eventually added guidance about the role of the CAO in its Sustainability Framework (2006), client Mandate Letters (2008), and Environmental and Social Review Summary (2012). MIGA includes guidance about the CAO in its Definitive

Application for Guarantees for all categories of projects. In 2006, IFC adopted requirements for clients to implement project-level grievance mechanisms in its Sustainability Framework (Policy and Performance Standards on Social and Environmental Sustainability).

**Continued coordination with IEG.** The CAO has continued to coordinate with the World Bank Group's Independent Evaluation Group (formerly OEG and OEU) by sharing lessons learned from cases and through the CAO's advisory work. The most recent cooperation has been the CAO's and IEG's independent contributions to IFC's 2009-11 Policy Review and Update.

#### **The Original CAO Operational Guidelines and Periodic Updates**

The CAO Operational Guidelines were drafted in 2000 as the product of an intensive and wide-ranging multi-stakeholder consultation process, which brought together IFC and MIGA management, project sponsors and private sector groups; international, regional, and national civil society organizations; and representatives of people who had been affected by IFC/MIGA projects in the past. Approved by the World Bank Group President in April 2000, the guidelines were translated into seven languages, and disseminated. Since that time, the CAO has updated the Operational Guidelines three times - in 2004, 2007, and 2013. These updates directly addressed recommendations from each of CAO's effectiveness reviews (2003, 2006, and 2010), with the goal of strengthening the outcomes from the CAO's work.

## **The 2006 Review: A Retrospective Analysis of CAO Interventions**

Three years after the 2003 review, the CAO initiated a second review, "A Retrospective Analysis of CAO Interventions, Trends, Outcomes and Effectiveness." This study sought to determine the extent to which the CAO, at that time, had been able to achieve some positive change in terms of community-company dispute resolution, project-level accountability by IFC/MIGA and their clients, and development outcomes of IFC/MIGA projects where the CAO had intervened.

### **What did the review address?**

The review started with the premise that the CAO's mission and mandate is broader than just resolving complaints, and therefore the CAO's effectiveness should be measured against a broad set of indicators. The review team created 13 indicators corresponding to five topics that covered the CAO's mission and mandate. The five topics were:

1. IFC and MIGA client accountability
2. Enhancing the development impacts and sustainability of IFC and MIGA projects
3. The CAO's impact on the issues giving rise to the complaint
4. The effectiveness of CAO processes (the CAO's strategy, professionalism, timeliness, and efficiency)
5. The extent to which IFC, MIGA, and their clients accepted and implemented the CAO's recommendations.

### **Who were the reviewers?**

The review was conducted by a three-member team of external experts:

- **Warren Van Wicklin**, Team Leader: A social specialist with expertise in evaluation and policy analysis related to community participation, involuntary resettlement, and safeguard policies
- **Jill Shankleman**: A sociologist, independent consultant on social and environmental risk management, and Director of ERM, an international environmental consultancy
- **Roger Batstone**: An environmental engineer and former World Bank environmental expert.

### **What methodology did the team use?**

The review team followed a case study approach, focusing on 16 active projects in which the CAO had been involved over the preceding five years. The team first reviewed CAO files and followed up with in-person or telephone interviews with key stakeholders, including

- CAO staff and consultants
- Complainant(s)
- IFC/MIGA investment staff and Environment and Social Development specialists
- The client company
- NGOs not directly involved in submitting the complaint.

Team members made qualitative assessments using the 13 indicators for each of the projects, and summarized findings according to whether CAO interventions led to large positive change, some positive change, small positive change, no change, or negative change. On the basis of these findings, interviews, and desk review, the team proposed a set of recommendations.

### **What were some of the main issues highlighted by the review team?**

The team found that the CAO needed to:

- Strengthen capacity in the CAO's three roles.

- Work more closely with NGOs.
- Improve coordination with IFC and MIGA on upcoming and current projects that could raise issues for the CAO .
- Better track whether CAO recommendations were being implemented by IFC/MIGA.
- Improve monitoring and evaluation of case outcomes.

### **What were the main recommendations?**

The team made nine recommendations.

#### ***Continue to strengthen work in the CAO's three roles***

- Continue to strengthen capacity in dispute resolution and compliance auditing.
- Continue to strengthen capacity to work in a range of languages and cultures.
- Refine the approach in order to provide greater clarity, project by project, on what course of action the CAO proposes—particularly with respect to its ombudsman and compliance roles—and why.

#### ***Strengthen ties with stakeholders***

- Enhance communication with key stakeholders, particularly in the planning, execution, and reporting stages of its engagement in projects.
- Consult regularly with IFC and MIGA and network regularly with NGOs.

#### ***Improve follow-up and monitoring***

- Monitor implementation of CAO recommendations.
- Refine the stakeholder feedback process and effectiveness indicators developed in this review, and periodically use the methodology, as refined, to track and report on the CAO's effectiveness.
- Include proposals for follow-up in the reports that CAO issues.
- Further assess the links between specific CAO strategies and procedures and CAO effectiveness.

A summary of the full list of recommendations from the 2003 Review appears in appendix A.

### **What was the main outcome of the review?**

***Update of the CAO's Operational Guidelines.*** The review led to the revised CAO Operational Guidelines in 2007, which gave the CAO more predictability and flexibility in responding to complaints (see box, p. 9).

***Increased capacity for public outreach, particularly with civil society.*** In 2007, the CAO also hired a full-time staff member to work on communications and public outreach for the Office. Increased capacity in this regard directly addressed the review's recommendations to increase the CAO's network of civil society contacts, particularly with local, national, and international NGOs, and enable the CAO to increase internal outreach to IFC/MIGA staff, clients, and other stakeholders to improve understanding of the Office's role.

***Improved monitoring and evaluation.*** In response to the review's recommendations that the CAO refine stakeholder feedback and progress indicators to track and report on its interventions, the CAO established two systems in 2008.



The first is a *Monitoring and Evaluation (M&E) tool* to assess the effectiveness of CAO's ombudsman and compliance interventions. This M&E tool allows for direct feedback via an online survey about the CAO's case handling by complainants, IFC/MIGA clients, IFC/MIGA staff, CAO mediators and audit panels, NGOs, and other relevant parties to a CAO process. The CAO conducts monitoring and evaluation on a rolling basis. The CAO was the first international financial institution accountability mechanism to initiate such a system.

The second system is the CAO's *Management Action Tracking Record (MATR)*, developed jointly with IFC/MIGA to track institutional responses to the CAO's interventions. To date, 29 cases have been tracked through the MATR.

### **The 2007 Operational Guidelines**

Around 2005–06, as the CAO was reaching a level of maturity, we were asked to provide more clarity and predictability about how we work. This feedback prompted us to revise the CAO Operational Guidelines in 2007 to streamline our ombudsman and compliance roles, with clear, public deadlines to hold ourselves accountable.

The 2007 revisions drew a distinct line between the two roles and allowed the parties to compare and contrast alternative approaches to addressing their complaint. For example, early in the complaints process, parties need to know whether/how the CAO may be able to assist them and to weigh alternative options such as a collaborative dialogue or mediation process or using the CAO's compliance function. The Ombudsman is charged with ensuring that parties are well informed about their options and that the alternative options are well understood.

This change served to strengthen the Ombudsman as a trusted third party facilitator focused on collaborative problem solving with the stakeholders. It also helped those same stakeholders understand that where issues proved irresolvable through mediation, the case would automatically be transferred to CAO Compliance for appraisal and audit, where relevant. This structural change was important for two reasons: it allowed for a direct avenue to the CAO's Compliance function by complainants and relieved the pressure put on the CAO Vice President in deciding whether, and when, and under what criteria, to trigger a compliance investigation.

## **The 2010 Review: A Gap Analysis**

With more than a decade of operational experience by 2010, the CAO decided to look at its Terms of Reference and Operational Guidelines and conduct a gap analysis between what these documents directed and the CAO's actual practice. This review was internal, meaning there was no consultation with external parties, only discussions with CAO, IFC, and MIGA staff. The review was not made public to avoid overlap with a review initiated by COGAM on the World Bank Group's five independent offices (5 "I's").

### **What did the review address?**

The review concentrated on four broad topics.

- The CAO's Terms of Reference and governance
- The CAO's Operational Guidelines and operational practices
- The CAO's operating standards and systems
- Trends related to IFC and MIGA and implications for the CAO.

### **Who were the reviewers?**

The internal review was conducted by a three-person consultant team familiar with the CAO's history and current operations, and with professional expertise relevant to CAO's compliance, advisory, and ombudsman functions:

- David Fairman, Managing Director, Consensus Building Institute (CBI) and Associate Director of the MIT-Harvard Public Disputes Program
- Graham Joscelyne, Specialist in corporate governance, enterprise risk management, internal auditing, ethics, and regulatory compliance
- Lori Udall, International public policy and development consultant

### **What methodology did the team use?**

The team interviewed 23 people, including CAO staff (10), CAO consultants (2), counterparts in IFC (4) and MIGA (4), and liaisons in the Office of the President (2) (for a full list, see 2010 report, appendix I). The team also reviewed a wide range of documents related to the CAO's Terms of Reference, governance, Operational Guidelines, and practices.

### **What were some of the main issues highlighted by the review team?**

Some of the main issues related to the CAO's independence and authority as framed in its original Terms of Reference, including the appointment process for the CAO Vice President; clarifications to the CAO's operational practices, standards, and systems—in particular, how the CAO's three roles interact and are managed; and how CAO is responding to the changing business trends of IFC/MIGA.

### **What were the main recommendations?**

The review made 15 major recommendations covering the following areas:

#### ***Clarify the succession of the head of the CAO***

- The appointment process for the head of the CAO (Vice President) should be codified.
- To protect the CAO's independence, the Terms of Reference should require the CAO Vice President to be chosen outside the World Bank Group.
- The outgoing CAO Vice President should be barred from working at the World Bank Group.

- The length of term limits should be considered.

***Update and clarify the CAO's Operational Guidelines and guidance for each function***

- Articulate overarching Principles for the CAO and ensure that all Operational Guidelines flow out of the Principles.
- Articulate Principles for each of the three major functions within the Operational Guidelines and in a supplemental handbook.
- Review and consider refining the CAO's mandate to ensure full alignment between the stated mandate and Ombudsman practice.
- With respect to the transfer of issues from ombudsman to compliance, address the inconsistency between the current Operational Guidelines and actual practice.

***Clarify guidance for the compliance function***

- Better differentiate the appraisal step from the audit step.
- Consider alternatives to describe the audit function, such as verification, examination, or analysis.
- Clarify how the focus of audits is determined and review the protocol for naming compliance reports to ensure that it is clear and transparent.

***Clarify guidance for the advisory function***

- Develop operational guidance to make the advisory function more proactive and strategic in its function.

***Clarifying public disclosures***

- Stipulate that the CAO has the authority and responsibility to manage the time and manner of its public disclosure to maximize its ability to exercise multiple functions effectively in particular cases.

***Balancing the CAO's functions***

- Amend the Operational Guidelines to make it clear that eligibility assessment is the responsibility of the CAO as a whole, not the ombudsman function.

***Establishing timely assessments***

- Adhere to the 120-day limit for assessment in all but exceptionally complex cases.

A summary of the full list of recommendations from the 2010 Review appears in appendix C.

**What were the main outcomes of the review?**

***Update of the Operational Guidelines.*** This third review resulted in an update of CAO's Operational Guidelines which were issued in 2013 (see box, p. 12).

***Process improvements.*** The review also led to specific process improvements, such as the issuance of a handbook to guide CAO staff.

**Box 3. Summary of Revisions to CAO's 2013 Operational Guidelines**

CAO initiated an update of its Operational Guidelines in response to recommendations from an external review of CAO's effectiveness in October 2010 and a review by the Committee on Governance and Executive Directors' Administrative Matters (COGAM) in June 2011.

The update process involved a year-long review of CAO's procedures and practices. CAO also held public consultations on the Operational Guidelines for a period of 90 days, and received comments from IFC/MIGA staff, local and international civil society groups, and other interested stakeholders. These comments were considered and, where appropriate, incorporated into the final version of the revised Operational Guidelines.

Major changes to the guidelines include the following:

- CAO's Assessment of a complaint is now considered a 'whole office' function. This change provides greater clarity about the goal of a CAO Assessment, which aims to gain an understanding of the issues raised in the complaint and provide the option for the parties to choose either a CAO Dispute Resolution process or a CAO Compliance process.
- CAO Ombudsman is now referred to as CAO Dispute Resolution.
- CAO Compliance 'audits' are now referred to as 'investigations'. Investigations may be carried out for one or more projects.

The revised Operational Guidelines are aligned with CAO's Terms of Reference and reflect the practice of a rigorous independent accountability mechanism. They provide the foundation necessary for CAO to enhance the environmental and social performance of IFC/MIGA projects and improve outcomes on the ground.

The revised CAO Operational Guidelines came into effect in March 2013.

## **Conclusion**

### **How has the CAO responded and changed as a result of the reviews?**

The three reviews initiated by the CAO were conducted at regular intervals (every three to four years) with the goal of finding out stakeholder perceptions of the CAO's actions, the impacts and outcomes of these actions, IFC's/MIGA's responses to CAO recommendations, the strengths and weaknesses of the CAO's interventions, what the CAO could have done differently, and the lessons learned from the CAO's work.

The CAO has responded proactively to each reviews by incorporating recommended changes into its core operating procedures through updates to the CAO's Operational Guidelines, and in its division of labor and staffing, resource allocation, outreach activities, and monitoring and evaluation systems.

The CAO remains focused on continual improvement in its own operations to deliver effective outcomes for project-affected people and communities, while promoting systemic improvements in IFC/MIGA projects, policies and systems, and fostering greater public accountability of both institutions.

## **Appendix A. The 2003 Review—Summary of Recommendations**

### ***Overall Recommendations***

“Accountability for performance”—or results in line with the World Bank Group’s public commitments and missions vis-à-vis environmental and social development outcomes—should rest squarely on those with the line responsibility for assessing, approving, implementing, and supervising projects and for sustainable development outcomes on the ground.

The CAO’s focus should be on “ensuring the development of participants’ capacity to engage in productive dialogue” and making real progress in resolving problems related to complaints, as well as underlying issues.

### ***Specific Recommendations***

1. a. In the design of IFC/MIGA projects where conflicts are likely to arise, the CAO should support the provision of effective and credible capacity to resolve conflicts—primarily by others.  
b. The CAO should carefully evaluate the willingness and ability of company senior management involved in a project where the CAO has intervened to engage in productive problem solving.
2. Complaints should be responded to and resolved in a timely way.
3. a. Complaint assessments must cover every issue raised by the complainant.  
b. If other issues are uncovered by the CAO investigation, they may be addressed, but must be distinguished from the reply to the specific issues raised by the complainants.  
c. Cases may be considered for dismissal if parties are unresponsive to CAO communications or a field investigation.
4. The CAO should keep confidential notes available to ombudsman staff on all interviews and documents used in a case.
5. In complex projects, the CAO should recommend that IFC/MIGA use a multi-stakeholder dialogue process to prevent problems and mediate throughout the project.
6. The CAO should develop a systematic way to feed lessons learned from its handling of complaints back into the system, so that IFC and MIGA practices that may have contributed to the problem will not be repeated.
7. The CAO should strictly limit project-specific advice to IFC/MIGA before a complaint is filed.
8. The CAO, in its advisory role, should focus more on strategic issues and trends, as opposed to offering project-specific advice.
9. As the CAO’s expertise on the ground grows, the CAO should be a source of generic advice to IFC/MIGA on measures to prevent conflict in the design of projects.
10. Lessons learned by the CAO, primarily from its ombudsman and compliance roles, should be fed back to IFC and MIGA in a systematic way so that IFC and MIGA may continuously improve their practices and project outcomes.

11. The CAO should request and consider the views of management before issuing formal advice on a program, sector, or major issue.
12. Clear rules regarding advisory work would be drawn up. The CAO should make sure that it is the appropriate unit within IFC and MIGA, or the World Bank Group, to perform that advisory work; that the work is clearly linked to the CAO's ombudsman and/or compliance roles; that it has adequate resources to do the work; and that it carefully track resources expended.
13. The CAO should be given the authority to initiate compliance audits by itself.
14. IFC/MIGA should mention and refer to the CAO's various roles in all "appropriate" documents. Potential clients should be informed of the CAO's roles at the "earliest appropriate opportunity."
15. The head of the CAO should be able to initiate a compliance audit, in addition to the World Bank Group President, and IFC/MIGA senior management.
16. To prevent conflicts of interest, the CAO compliance auditor should not receive any confidential information gathered by the CAO ombudsman while a complaint is being investigated.
17. The CAO should better coordinate with the units within IFC (the Operations Evaluation Group) and MIGA (the Operations Evaluation Unit) that also evaluate the environmental and social aspects of IFC and MIGA projects.
18. The CAO should review the style and tone of its advisory and other communications to identify opportunities to increase the CAO's effectiveness.
19. The CAO should always date its documentation and provide up-to-date information.

## **Appendix B. The 2006 Review—Summary of Recommendations**

1. Continue to strengthen capacity in dispute resolution and compliance auditing.
2. Continue to strengthen capacity to work in a range of languages and cultures.
3. Consult regularly with IFC and MIGA on upcoming and current projects that could raise issues for the CAO. Network regularly with NGOs. To the extent that the CAO has early warning, it is better positioned to mobilize teams to respond effectively and quickly to complaints and audit requests.
4. Refine the approach in order to provide greater clarity, project by project, on what course of action the CAO proposes, particularly with respect to its ombudsman or compliance roles—and why it proposes those actions.
5. Enhance communication with key stakeholders, particularly in the planning, execution, and reporting stages of its engagement in projects.
6. Include proposals for follow-up in the reports that the CAO issues.
7. Monitor implementation of CAO recommendations.
8. Further assess the links between specific CAO strategies and procedures and CAO effectiveness.
9. Refine the stakeholder feedback process and effectiveness indicators developed in this review, and periodically use the methodology, as refined, to track and report on the CAO's effectiveness.



## **Appendix C. The 2010 Review—Summary of Main Recommendations**

The review made 15 major main recommendations covering four broad topics.

- The CAO's Terms of Reference and governance
- The CAO's Operational Guidelines and operational practices
- The CAO's operating standards and systems
- Trends related to IFC and MIGA, and implications for the CAO.

The 15 major recommendations covered the following areas:

### *Clarify the succession of the head of the CAO*

- The appointment process for the CAO Vice President should be codified.
- To protect the CAO's independence, the CAO's ToR should require the CAO Vice President to be chosen outside the World Bank Group, and the outgoing CAO Vice President should be barred from working at the World Bank Group.
- The length of term limits should be considered.

### *Update and clarify the CAO's Operational Guidelines and guidance for each function*

- Articulate overarching Principles for the CAO and ensure that all Operational Guidelines flow out of the Principles.
- Articulate Principles for each of the three major functions within the Operational Guidelines and in a supplemental handbook.
- Review and consider refining the CAO's mandate to ensure full alignment between the stated mandate and ombudsman practice.
- With respect to the transfer of issues from ombudsman to compliance, address the inconsistency between the current Operational Guidelines and actual practice.

### *Clarify guidance for the compliance function*

- Better differentiate the compliance appraisal step from the audit step.
- Consider alternatives to describe the audit function, such as "verification," "examination," or "analysis."
- Clarify how the focus of audits is determined and review the protocol for naming compliance reports to ensure it is clear and transparent.

### *Clarify guidance for the advisory function*

- Develop operational guidance to make the advisory function more proactive and strategic in its function.

### *Clarifying public disclosures*

- Stipulate that the CAO has the authority and responsibility to manage the time and manner of its public disclosure to maximize its ability to exercise multiple functions effectively in particular cases.

### *Balancing the CAO's functions*

- Amend the Operational Guidelines to make it clear that eligibility assessment is the responsibility of the CAO as a whole, not purely the purview of the ombudsman function.

### *Establishing timely assessments*

- Adhere to the 120-day limit for assessment in all but exceptionally complex cases.