



COMPLIANCE  
ADVISOR  
OMBUDSMAN

The Independent Accountability Mechanism for IFC & MIGA

# STRATEGIC PRIORITIES FY26-FY28

Office of the Compliance Advisor Ombudsman (CAO)  
for the International Finance Corporation (IFC)  
and Multilateral Investment Guarantee Agency (MIGA)

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

# TABLE OF CONTENTS

<b>EXECUTIVE SUMMARY</b> .....	<b>1</b>
<b>STRATEGIC PRIORITIES FY26–FY28</b> .....	<b>2</b>
CAO’s Purpose and Value to IFC and MIGA .....	3
CAO’s Operating Context .....	4
Strategic Priorities FY23–F25: Summary of Results .....	9
Updated Strategic Priorities, FY26–FY28 .....	16
Revamped Monitoring and Evaluation Framework .....	21

## EXECUTIVE SUMMARY

1. This document presents a summary of results from CAO's FY23-25 strategic cycle and CAO's updated strategic priorities for FY26-FY28.
2. **FY23-FY25 Summary Results.** Key anticipated results achieved through FY25 include the elimination of CAO's case backlog,<sup>1</sup> alignment of casework with CAO Policy timelines, and effective management of an increased number and complexity of complaints. Over the last three years, CAO also produced seven advisory products which served as input to the development of IFC's Responsible Exit Principles and proposed Remedial Action Framework as well as IFC's upcoming Sustainability Framework update. CAO relaunched its website, implemented new reporting and engagement protocols, and conducted stakeholder outreach in the regions. CAO staff increased by 37 percent during this period, as did its regional and age diversity. Employee engagement levels increased with more clarity over roles, competencies, and applicable human resource procedures. The launching of CAO's digital case management system and updated budget processes drove new efficiencies.
3. **FY26-FY28 Updated Strategic Priorities.** Five strategic priorities will continue to guide CAO's objectives in FY26-FY28 with an enhanced monitoring and evaluation framework in place for the IFC and MIGA Boards of Executive Directors (the Board) to assess CAO's progress:
  - Strategic Priority 1: Increasing the Impact of CAO's Casework
  - Strategic Priority 2: Fostering Institutional Change Through Learning
  - Strategic Priority 3: Strengthening Stakeholder Engagement to Improve Outcomes
  - Strategic Priority 4: Enhancing Staff Capacity and Wellbeing
  - Strategic Priority 5: Improving the Way we Work

---

<sup>1</sup> Cases that have exceeded the CAO Policy timeline for their current case phase by at least 50 percent.

# STRATEGIC PRIORITIES FY26–FY28

## CAO'S PURPOSE AND VALUE TO IFC AND MIGA

4. As the World Bank Group (WBG) focuses its strategy on Ending Poverty on a Livable Planet, the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA) have a key role to play in facilitating a transition to a sustainable and equitable global future. IFC/MIGA are being called on to open more opportunities for the private sector to contribute to ending poverty through environmentally and socially responsible business practices. This includes investing in countries affected by fragility, conflict, and violence (FCV); areas with marginalized or vulnerable people; and regions where capacity to manage the E&S risks and impacts of development projects may be limited.
5. This approach has profound implications for integrating and effectively implementing the institutions' relevant economic, environmental, and social objectives and policies.
6. In this context, the Office of the Compliance Advisor Ombudsman (CAO), as the independent accountability mechanism for IFC and MIGA, makes an important contribution to the sustainable development and E&S risk management priorities of both institutions. CAO's mandate is to facilitate the resolution of complaints from project-affected people, enhance the E&S outcomes of IFC and MIGA projects, and foster public accountability and learning in order to strengthen IFC and MIGA E&S performance and reduce the risk of harm to people and the environment. This mandate is delivered through CAO's Dispute Resolution, Compliance, and Advisory functions, which together enhance IFC's and MIGA's accountability and E&S performance by:
  - providing a channel for resolving grievances from project-affected communities, thus helping clients manage environmental and social risks, and improving development outcomes for people on the ground
  - undertaking reviews of IFC's and MIGA's compliance with E&S policies, resulting in remedial actions to address harm where appropriate and enhancing the credibility of, and public trust in, both institutions
  - delivering advice and learning products to help strengthen IFC's and MIGA's E&S risk management at the project and institutional level.

## CAO'S OPERATING CONTEXT

7. There are several factors that inform and influence CAO's operating context and which underline the important role CAO fulfills as part of the World Bank Group's environmental and social accountability and oversight structure. This operating context is characterized by market expectations on companies to incorporate ESG priorities meaningfully in their businesses; the increase in conflict around the world, driven in part by competition over natural resources; and rapid technology advances which are changing the way people work. These and other factors form the backdrop for the World Bank Group's Evolution Roadmap and IFC's/MIGA's mobilization of private sector investment to help meet global development goals. They also provide contextual relevance for CAO's Strategic Priorities.

## GLOBAL TRENDS

There are several global trends that affect the IFC/MIGA operating environment that in turn can affect the number and nature of complaints submitted to CAO:

- i. **Integration of Environmental and Social Management into Core Business and Emerging Standards:** Companies worldwide are integrating E&S principles into their core strategies to reduce risk, enhance resilience, and attract investors. This trend is also evident in emerging markets, where shareholder and consumer expectations are rising in areas such as biodiversity, climate, labor, and human rights. This shift has been propelled by the growing convergence of global sustainability standards—on matters such as environmental performance, climate-related disclosures, ESG reporting, human rights protections, and responsible business conduct. Global markets are also rewarding ESG performance.<sup>2</sup> Companies are also facing pressure to adopt transparent, science-based approaches to managing their E&S impacts in accordance with these global trends.<sup>3</sup> With many IFC/MIGA clients often operating in jurisdictions with weak environmental and social legislation, these companies will need to be adept in developing the capacity and tools to implement E&S commitments in their supply chains, workforce, and operations.

<sup>2</sup> Data shows that ESG finance has grown significantly in emerging markets, with ESG-linked debt issuance tripling to US\$190 billion in 2021, and sustainability-related equity fund flows rising to \$25 billion. Sustainable Finance in Emerging Markets is Enjoying Rapid Growth, But May Bring Risks [Deepali Gautam, Rohit Goel, Fabio Natalucci](#) March 1, 2022.

<sup>3</sup> Such as the Equator Principles, UN Guiding Principles on Business and Human Rights, ISO 14001 – Environmental Management Systems (EMS), EU Taxonomy for Sustainable Activities, Equator Principles, International Financial Reporting Standards (IFRS) for Sustainability Disclosure (IFRS S1 and S2), Financial Stability Board's Task Force on Climate-related Financial Disclosures (TCFD) Recommendations, EU Corporate Sustainability Reporting Directive (CSRD), Sustainable Development Goals (SDGs), EU Green Bond Taxonomy, Science-Based Targets Initiative (SBTi), Carbon Disclosure Project (CDP), B Corp Certification, OECD Guidelines for Multinational Enterprises.

- ii. **Increasing Conflict:** Environmental and social conflicts have been on the rise globally, with many of them related to land-take, resource extraction (such as mining and logging), industrial agriculture, and infrastructure projects (like dams and roads). People who oppose projects that threaten the environment or local communities are often targets of threats and retaliation, including criminalization. Many of the conflicts involve killings, the highest rates of which have been observed in countries where land and resource conflicts are most acute.<sup>4</sup> Factors such as reduced availability of natural resources (e.g. arable land and water), increasing demand for power due to generative AI, and increasing demand for key minerals are set to further exacerbate conflict.<sup>5</sup> Stronger legal frameworks are emerging around the world, such as stricter environmental protection laws and human rights protections. However, enforcement can be weak, leading to conflicts when regulations are ignored or inadequately implemented.
- iii. **Technological Innovations:** Innovations in AI, blockchain, and IoT are enabling better tracking of E&S metrics (e.g., carbon footprints, supply chain traceability). At the same time, their use is increasing energy demand with associated consequences. Clean technology innovations in resource efficiency, energy generation, water treatment, and pollution control, among others, are enabling businesses to reduce environmental impact.

## WBG EVOLUTION ROADMAP

- 8. The World Bank Group Evolution Roadmap outlines a forward-looking strategy to adapt and enhance the WBG’s approach to combat poverty and inequality, and to address global challenges,<sup>6</sup> undergirded by a strong focus on impact, speed, and efficiency. The Roadmap also emphasizes strengthening private sector mobilization, accountability, and promoting greater coordination with stakeholders to foster long-term, inclusive development outcomes. Implications of the Roadmap relevant to CAO include:
  - i. **Managing project implementation challenges in areas affected by fragility, violence, and conflict (FCV).** These areas are often characterized by a lack of civic space that limits peoples’ ability to voice concerns of threats and reprisals related to E&S project impacts. This requires a more systematic approach by CAO for managing threats and reprisals associated with complaints by project-affected people.

<sup>4</sup> Between 2015 and 2023, Global Witness documented the killings of 1,910 environmental and land defenders globally.

<sup>5</sup> World Bank’s “Growing Role of Minerals and Metals for a Low-Carbon Future” (2020) forecasts that the demand for minerals such as lithium, cobalt, nickel, and copper will rise significantly. For instance, lithium demand could rise by 500% by 2030, while copper demand is expected to increase by 40-50%. Mining practices can result in severe environmental degradation, such as deforestation, water pollution, and habitat destruction, as well as social concerns such as community displacement, labor conditions, and human rights abuses.

<sup>6</sup> Global challenges: (i) Climate Change Adaptation and Mitigation; (ii) Fragility and Conflict; (iii) Pandemic Prevention and Preparedness; (iv) Energy Access; (v) Food and Nutrition Security; (vi) Water Security and Access; (vii) Enabling Digitalization; and (viii) Protecting Biodiversity and Nature.

- ii. **Fostering greater coordination and partnerships.** The Roadmap encourages greater collaboration between the WBG and other international organizations, development partners, and local governments. The recently established MIGA Guarantee Platform and developments in the area of mutual reliance are examples of this.<sup>7</sup> CAO will need to increase its collaboration with other development finance institutions’ accountability mechanisms to ensure that the roles and responsibilities when responding to E&S concerns are clear. Good collaboration will also be needed to leverage efficiency, avoid duplication, and achieve better remedial outcomes for project-affected communities.
- iii. **Expanded role for leveraging knowledge.** A key component of the Roadmap is to foster complementarity of knowledge and financing to deliver better solutions to address poverty, inequality, and global challenges. CAO will need to enhance its analytics, prioritize knowledge products and activities, and strengthen partnerships to support IFC/MIGA in achieving stronger E&S performance and operational outcomes.
- iv. **Managing for results and accountability.** The Roadmap commits the WBG to establish a rigorous framework to report on results and accountability for outcomes. CAO will need to consolidate a systematic approach to measure and report on the outcomes of its casework in facilitating access to remedy for affected communities. This approach must include systematizing data capture to report on effectiveness indicators and refining those indicators.

## IFC’S STRATEGY AND GROWTH PROJECTIONS

- 9. IFC Strategy 2030 focuses on leveraging the private sector to address global development challenges and achieve 2020 Sustainable Development Goals. Key areas of focus include climate change, gender and inclusion, resilience through food security and health, fragility, and digitalization. With this purpose, IFC has committed to increase and diversify its lending significantly by increasing corporate finance, equity, and capital market support.<sup>8</sup>
- 10. In the last three years, IFC has surpassed its lending objectives and expects to continue a growth trajectory to achieve the 2030 goals of \$48 billion in Long-Term Commitments<sup>9</sup> and growing its International Development Association (IDA) and Fragile and Conflict-Affected Situations (FCS) investment portfolio to 40 percent of Long-Term Financing.

<sup>7</sup> Other examples include the WB-ADB proposed mutual reliance framework;

<sup>8</sup> World Bank, 2023. IFC Strategy and Business Outlook FY24-26: Extending our Ambition. Washington, D.C.: World Bank Group. <https://documentsinternal.worldbank.org/search/34097167>

<sup>9</sup> World Bank, 2024. IFC Annual Report 2024: Accelerating Impact - Mobilizing Investment at Scale. Washington, D.C.: World Bank Group. <https://documentsinternal.worldbank.org/search/34417921>

11. In this context, and given the strong the correlation between the number of committed projects in IFC’s portfolio and the number of complaints received by CAO (0.75<sup>10</sup>), CAO expects the number of complaints to grow proportionally, and specifically in FCS and IDA contexts.

## INSIGHTS FROM THREE YEARS OF CAO POLICY IMPLEMENTATION

12. The CAO Policy came into effect in July 2021 following approval by the IFC and MIGA Boards of Executive Directors. Three years of policy implementation have generated several lessons learned and insights that CAO is considering for the upcoming strategic cycle and in anticipation of updates to the CAO Policy.<sup>11</sup> Some of these aspects have resource implications for CAO, as follows:
  - i. **Capacity-building:** CAO foresees a continuing need to provide capacity- building support for both affected communities and project operators to develop the adequate skills and understanding to engage effectively in dispute resolution processes.
  - ii. **Addressing complex issues:** Dispute resolution processes and compliance investigations often involve intricate environmental and social issues, which require careful planning and expertise in the CAO team handling the case. CAO’s ability to draw on and build interdisciplinary expertise, such as environmental science and human rights law, is important in order to improve the thoroughness and accuracy of compliance investigations and the effectiveness of dispute resolution processes. This expertise may need to be sourced outside the team with specialist consultants as well as developed over time through a robust training program for CAO staff and recruitment.
  - iii. **Timeliness:** Timely resolution of issues raised in complaints is critical as delays in case handling undermine CAO’s effectiveness and erode stakeholder trust. While CAO dispute resolution processes currently do not have formal timelines, CAO has concluded that “soft timelines” can be helpful, where possible, in facilitating the timely resolution of concerns. However, adopting soft timelines may have resource implications for dispute resolution processes as these may require more frequent site visits to conduct the process.

<sup>10</sup> Analysis of correlation between the number of committed projects in IFC’s portfolio and the number of complaints received by CAO from 2000 to 2018 is positive 0.75. The cutoff is 2018 given that it takes on average, three or four years from project commitment for CAO to receive a complaint.

<sup>11</sup> The CAO Policy (Section XV, para 172) stipulates that the Boards will initiate a review of the policy no later than five years after it became effective, which is by July 2026.

- iv. **Independence and transparency:** Accessible, transparent, and predictable disclosures and communication by CAO are necessary to maintain stakeholder trust. Clear, accessible documentation of CAO processes, including how decisions, outcomes, findings, and recommendations are reached, enables trust in the integrity of CAO processes and strengthens CAO’s overall credibility. CAO needs to make continued investments in tools that enhance transparency and disclosure, particularly related to case data and outcomes.
- v. **Linking investigations to remedy:** Compliance recommendations should lead to timebound, implementable, remedial action plans that improve E&S practices and minimize or address harm. The quality of CAO’s findings and recommended actions will need to continue improving and adjust to the increased opportunities that IFC/MIGA’s proposed Remedial Action Framework offers.
- vi. **Effective Monitoring:** Robust follow-up and monitoring in dispute resolution are essential to ensure that actions agreed by the parties are carried out and that affected communities see tangible benefits. More proactive monitoring of compliance with Management Action Plans is also essential to ensure that corrective actions by IFC/MIGA and their clients lead to improvements on the ground in response to CAO investigation findings. Monitoring is less resource intensive than other phases of case handling, but effective and timely execution will require CAO to resource monitoring efforts adequately.
- vii. **Post-exit:** IFC exits are common in CAO cases and can significantly affect the possibility for remedial solutions. IFC’s Approach to Responsible Exit presents five key principles that will guide IFC on exiting projects responsibly and ensuring that development impact and environmental and social consequences are considered.

## IFC’S SUSTAINABILITY FRAMEWORK UPDATE

- 13. IFC’s update of its Sustainability Framework, comprising the Policy on Environmental and Social Sustainability, Performance Standards, and Access to Information Policy, is an important initiative that can benefit from lessons and insights from CAO cases. CAO’s work often reveals implementation challenges or emerging E&S issues not fully addressed by the current IFC policy framework. By sharing trends, systemic issues, and lessons learned from past dispute resolution processes and compliance investigations, CAO can help IFC identify gaps and areas of improvement to inform the next iteration of the Sustainability Framework. CAO’s advisory work to inform IFC’s policy update will address implementation challenges that have contributed to community grievances as well as non-compliances identified in CAO’s case work.

## STRATEGIC PRIORITIES FY23-F25: SUMMARY OF RESULTS

14. In FY22, the Board approved CAO’s [Strategic Plan for FY23–25](#), aligning CAO’s activities and resources with the implementation of the CAO Policy, which became effective in July 2021. The CAO Policy built on the Operational Guidelines that previously governed CAO, introducing some significant enhancements in response to the recommendations of the Board-initiated 2020 [External Review of IFC/MIGA’s E&S Accountability, Including CAO’s Effectiveness](#). These enhancements included moving CAO’s reporting line from the WBG President to the Board, reducing timelines for case handling, and requiring IFC/MIGA Management Action Plans in response to CAO findings of non-compliance and harm, among others.<sup>12</sup> The External Review Team also made several non-policy recommendations for improving the effectiveness of CAO processes, such as reviewing long-term dispute resolution cases, analyzing the factors that determine parties’ choice for dispute resolution or compliance processes, implementation of peer review processes for compliance reports, and the need to increase awareness of CAO’s work among project stakeholders. The External Review also made recommendations for IFC/MIGA to establish a remedial action framework in recognition of the need to strengthen responsiveness to CAO cases, as well as to non-CAO cases.
15. CAO’s Strategic Plan outlined necessary adjustments to processes and resourcing across the office to implement the CAO Policy effectively. The plan aimed to increase the predictability, timeliness, clarity, and transparency of CAO processes, and safeguard CAO’s independence.
16. The Strategic Plan identified five key priorities to guide CAO’s work plan and budget for FY23–25:
  - i. **Effective case handling and transition to the new CAO Policy**, with a specific commitment to eliminate the backlog of cases,<sup>13</sup> ensuring that the timelines established in the CAO Policy are met and facilitating access to remedy.
  - ii. **Capture and develop knowledge for impact**, with an emphasis on increasing the learning and informational value of CAO’s casework.
  - iii. **Strengthen engagement with internal and external stakeholders** to enhance awareness, understanding, and trust in CAO’s purpose and value so that CAO’s mandate can be fully exercised.

<sup>12</sup> As of end of FY21, complaints assessments were taking on average 117 days for completion (vs. 90 days required by the CAO Policy) and compliance investigations were taking on average 574 days (vs 270 days required by the CAO Policy) and CAO reported to the Office of the President.

<sup>13</sup> Cases that have exceeded the CAO Policy timeline for their current case phase by at least 50 percent. At the end of FY21, the case backlog was 58% of the total caseload.

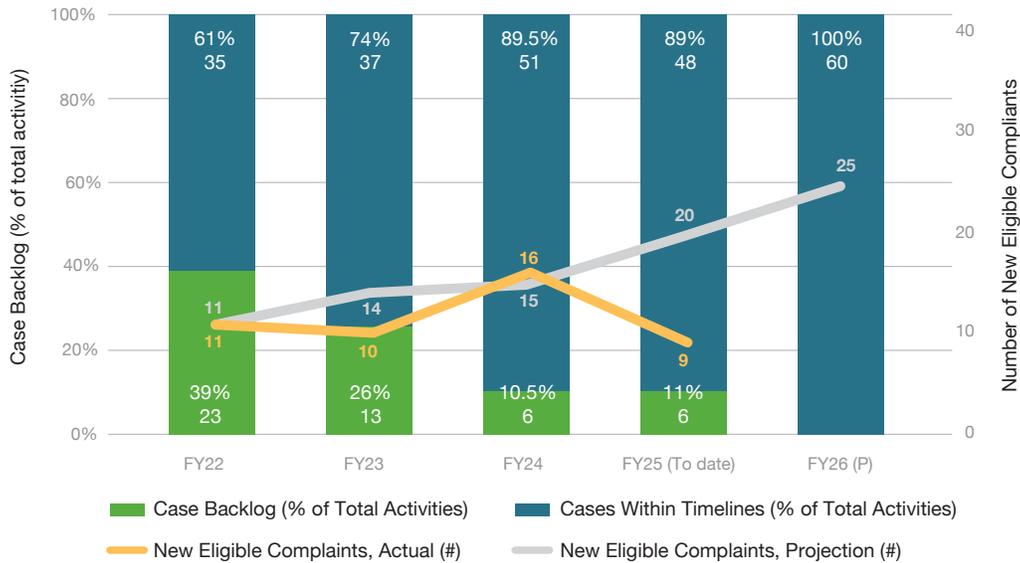
- iv. **Enhance staff capacity and the internal working environment**, with an emphasis on expanding and deepening the skills and experience of staff and consultants and promoting a respectful work environment.
  - v. **Identify and pursue efficiencies in CAO operations** to streamline processes, reduce time delays, and generate cost savings.
17. CAO’s Strategic Plan also included a **monitoring and evaluation (M&E) framework** to enable the Board to assess CAO’s progress toward achieving its mandate and objectives. The M&E framework covers three areas: i) **productivity**—the delivery of case-related and non-case-related outputs; ii) **efficiency**—achievement of CAO Policy timelines for case processing; and iii) **effectiveness**—outcomes resulting from CAO interventions.
18. Below is a summary of the cumulative results of implementing CAO’s Strategic Priorities for FY23-FY25.<sup>14</sup>

## STRATEGIC PRIORITY I: EFFECTIVE CASE HANDLING AND TRANSITION TO THE NEW CAO POLICY

19. Over the last three years, CAO has faced a three-pronged challenge: eliminating the case backlog; achieving ambitious timelines for case processing; and managing an increase in the number of new complaints. Near the midpoint of FY25, CAO has achieved a significant reduction of the case backlog from 58 percent to 11 percent and is on track for a full elimination of the backlog by the end of FY25 (see Figure 1). This achievement was possible thanks to the Board’s support in increasing CAO’s financial and human resources over the past three years. CAO has also made efforts to streamline and improve the effectiveness of case handling processes; to clarify process touchpoints with IFC/MIGA, complainants, and clients; and to develop a digital case management system, CASEY, to enable automated information management.

<sup>14</sup> Includes some results to be fully materialized by the end of the cycle (June 2025).

**FIGURE I. BACKLOG ACTIVITY AND PROJECTIONS**



20. The last three years have been the most productive in CAO’s history with the following results:

- 78 eligibility reviews resulting in 32 complaints deemed eligible
- 37 complaint assessments resulting in 14 cases transferred to dispute resolution, 18 cases transferred to compliance, and five cases closed at assessment.
- 12 dispute resolution agreements reached by the parties, seven cases closed after monitoring implementation of agreements, and one case closed at dispute resolution.
- 23 compliance appraisals of which eight were closed at appraisal, nine resulted in investigations being initiated, and four were merged with ongoing monitoring processes. Two investigations were also deferred to IFC after appraisal.
- 11 compliance investigation reports completed for factual review and comment.
- Eight compliance investigations published with an IFC/MIGA Management Action Plan approved by the Board.
- 28 total compliance investigation recommendations issued, of which 11 were aimed at remediating project-level non-compliance and related harm, and 17 were aimed at improving IFC/MIGA E&S systemic performance and preventing future non-compliance.
- 86 percent of CAO’s recommendations adopted by IFC, of which 95 percent were project-level and 79 percent were systemic.
- 16 cases updated in compliance monitoring reports (13 cases covered in the compliance omnibus monitoring reports and three standalone monitoring reports).
- 50 percent of total actions included in MAPs effectively implemented by IFC/MIGA.

## STRATEGIC PRIORITY 2: CAPTURE AND DEVELOP KNOWLEDGE FOR IMPACT

21. During FY23-FY25, CAO’s knowledge agenda has focused on the development of advice to inform IFC/MIGA’s approach to remedial action and responsible exit, as well as IFC’s Sustainability Framework update. As a result, CAO has produced seven advisory publications during this time. In February 2023, CAO issued *Responsible Exit: Discussion and Practice in Development Finance Institutions and Beyond* and *Insights on Remedy: the Role of Dispute Resolution in Remedy*. These were followed in April 2023 by *Insights on Remedy: The Remedy Gap – Lessons from CAO Compliance and Beyond* and *CAO’s Comments on the Public Consultation Draft of IFC/MIGA’s Approach to Remedial Action*. In December 2023, CAO published *Responsible Exit: Insights from CAO Cases*. In October 2024, CAO issued the first publication in a new CAO Insights Series to inform IFC’s Sustainability Framework Review with the report, *Strengthening Greenhouse Gas Mitigation in IFC-financed Projects*.
22. The development of these advisory publications is consistent with recommendations made by the External Review for CAO to continue generating high-quality learning for staff and clients. The publications have tackled difficult and complex issues, and benefited from ample engagement with the Board, IFC/MIGA staff, and civil society. A recent internal analysis of the impact of some of CAO’s advisory work showed that 56 percent of CAO’s case recommendations related to remedial actions and responsible exit approaches were adopted by IFC/MIGA.<sup>15</sup>
23. CAO has also invested in increased collaboration and knowledge sharing with IFC/MIGA by organizing two collaborative environmental and social learning events (“co-labs”<sup>16</sup>). Topics included E&S complaint responsiveness in the context of COVID-19 and managing threats and reprisals. In addition, CAO and IFC conducted three learning workshops, with MIGA staff as observers, focusing on direct complaint handling by IFC. CAO also held two panel discussions on IFC’s Greenhouse Gas (GHG) emissions management.
24. Lastly, CAO has invested in strengthening the Advisory function by creating a managerial position to lead the function and doubling the advisory staff.

<sup>15</sup> CAO’s FY24 Annual Report, page 43.

<sup>16</sup> Knowledge sharing and collaborative learning initiative on E&S topics jointly offered by the Environmental & Social Policy and Risk (CES) department of IFC, and the Office of the Compliance Advisor Ombudsman (CAO).

## STRATEGIC PRIORITY 3: STRENGTHEN ENGAGEMENT WITH INTERNAL AND EXTERNAL STAKEHOLDERS

25. During FY23-25, the new CAO Policy and reporting line to the Board required CAO to analyze the interests of its internal and external stakeholders and define strategies to effectively engage with them. CAO conducted stakeholder surveys and mapping in FY23, which informed a communications and reporting strategy.
26. **To enhance Board engagement**, CAO implemented the annual preparation of work plans and expected results for Board consideration of CAO’s budget, designed and implemented a new quarterly report to the Board, and developed the quality and comprehensiveness of CAO’s annual report to CODE. In addition, CAO held regular discussions and technical briefings with the Board, participated in the director onboarding program, and scheduled monthly advisors’ meetings on selected topics. **To enhance staff engagement**, CAO participates four times a year in IFC onboarding sessions for new staff, and bi-annual staff inductions on the WBG oversight and accountability units.
27. During FY23-25, **CAO has expanded the regional coverage of its outreach program** by leveraging collaboration with other independent accountability mechanisms (IAMs). During this period, CAO has co-hosted and participated in 14 in-person and virtual outreach workshops engaging over 700 civil society organizations (CSOs) in over 30 countries in Central Africa, Eastern Africa, the Middle East and North Africa, East Asia, South Asia, the Caribbean, the Balkans, and Latin America. Events included multi-day in-person outreach workshops, virtual outreach meetings, and “mass open online seminars” (MOOS). CAO also implemented quarterly civil society roundtables at HQ, hosting seven hybrid sessions to date and regularly engaging about 25 regional and international CSOs.
28. **Enhanced communications and outreach tools** implemented during FY23-25 to support CAO’s engagement with stakeholders included: relaunch of CAO’s website, enhancements to case disclosures, and a new case registry to improve access to information; design and layout of the CAO Policy and CAO logo in seven languages; new infographics explaining CAO’s eligibility and assessment phases, dispute resolution, and compliance processes; relaunch of the CAO quarterly newsletter for external audiences; three videos to highlight the outcomes of CAO’s dispute resolution work; new social media tools, including a CAO LinkedIn page; and improving the quality of external correspondence and case reports.
29. **A stakeholder perceptions survey** conducted early in FY25 showed that the majority of respondents feel well informed about CAO’s functions and case handling process and are largely satisfied with the level of information and ease of understanding of CAO reports. The most relevant information and engagement sought are case updates and news, information about CAO, good practice guidance, and data and lessons learned. Feedback was mixed on CAO’s effectiveness in delivering on its mandate, underlining the importance of increasing stakeholder engagement and communications about CAO’s outcomes and impact in the next strategic cycle.

## STRATEGIC PRIORITY 4: ENHANCE STAFF CAPACITY AND THE INTERNAL WORKING ENVIRONMENT

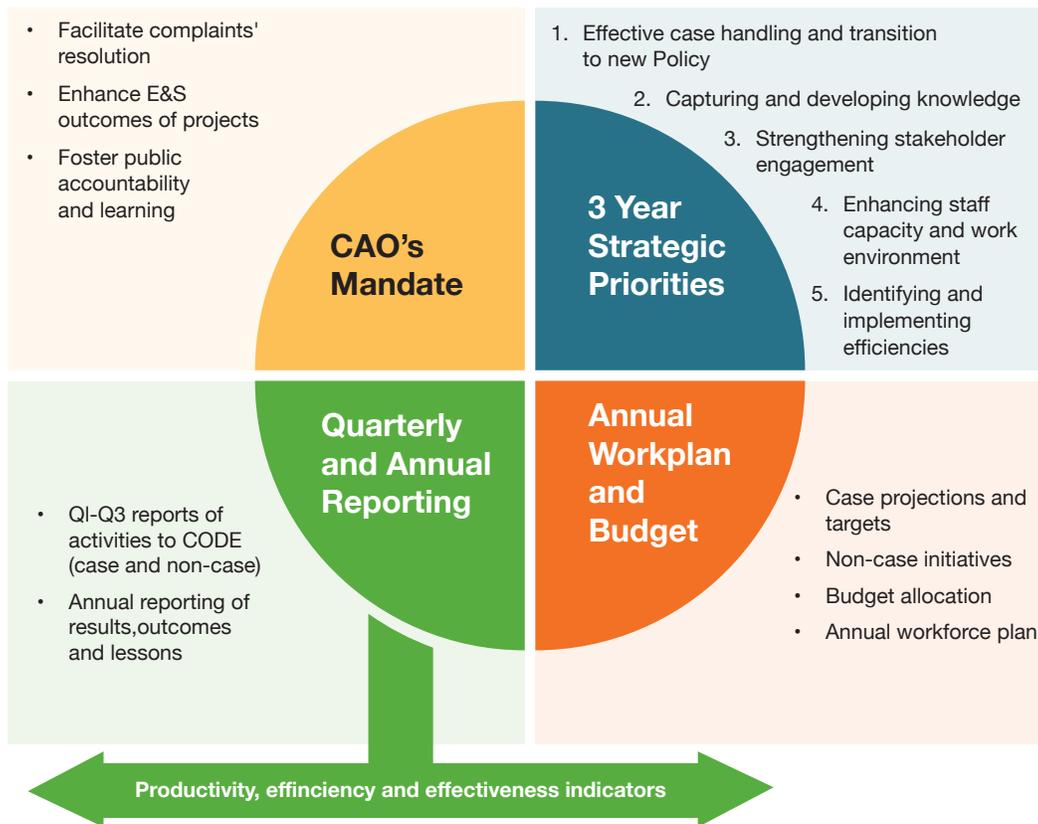
30. The ambitious expectations set by the new CAO Policy and recommendations of the 2020 External Review required CAO to reconfigure its workforce. CAO conducted a robust workforce planning exercise in FY21 which identified the need to: i) increase CAO's workforce in numbers, seniority, and skill level; ii) clarify the suite of applicable HR policies and procedures in light of the independence granted to CAO in the CAO Policy; iii) establish and develop CAO's leadership team; iv) implement career development opportunities for CAO staff; and v) invest in staff engagement priorities such as staff recognition, and equity and inclusion.
31. Significant progress has been made on all fronts. As of December 2024, CAO's workforce has grown by 37 percent since FY22, with the addition of 10 new Board-approved term positions. Of the term positions, two were new managers hired to lead the compliance and advisory functions and six were senior specialists hired to manage cases and processes of higher complexity. Some of these new hires have increased the overall capacity of the office by adding staff expertise in regions where it was previously absent, namely West Africa and the Middle East. Others have added expertise in critical technical aspects such as implementing E&S safeguards in projects.
32. CAO has also made progress in staff engagement, undertaking a series of training programs related to a respectful work environment and solidifying its staff engagement taskforce with a work plan and budget. Annual office-wide retreats resumed with the help of a retreat committee comprising staff from each functional team. In addition, CAO has strengthened efforts to provide opportunities to staff for stretch and development assignments. Three CAO employees had the opportunity to enter developmental assignments with other WBG units, and one WB-AM staff member entered a development assignment with CAO. Staff recognition measures have been implemented with the support and advice of a cross-functional task force, which also leads weekly spaces for employee connection and learning. These efforts led to improved results in the latest World Bank Group employee engagement survey (2022) compared to the 2020 survey.<sup>17</sup>
33. CAO has provided clarity and transparency for staff on the application of HR policies and processes, employee titles, and competencies required for each role and for progression, as well as for recruitment processes and performance criteria. CAO has completed the development of competency frameworks for each of its functions, each with specific skill sets. CAO also developed a conflict of interest procedure for the recruitment and mobility of staff members, made effective in FY24.

<sup>17</sup> CAO's engagement index increased from 50% in 2019 to 56% in 2022.

## STRATEGIC PRIORITY 5: IDENTIFY AND PURSUE EFFICIENCIES IN CAO OPERATIONS

34. With more resources and growing operations, CAO committed to increased budget transparency and fiduciary responsibility in its last strategic cycle. To that end, CAO designed a robust planning, monitoring, and reporting system that has resulted in an overall increase in productivity and efficient use of resources (see Figure 2). For example, in the last three years, CAO has executed on average 97 percent of the annual budget resources approved by the Board and implemented case budgeting and a detailed quarterly review of budget resources to ensure they can be reprioritized as needed.

FIGURE 2. CAO'S PLANNING, MONITORING, AND EVALUATION FRAMEWORK



35. The digital transformation of case handling processes has allowed CAO to accelerate efficiencies in the last three years. In FY23, CAO moved all its documents to the SharePoint platform, increasing the usability and security of document management and collaboration. In FY24, the WBG Information Technology Department (ITS) helped design a digital case management system, CASEY, that tracks all CAO case data, timelines, and key issues. In FY25, CAO also developed PowerBI-based dashboards to automate its case tracking, reporting, and data-driven decision making.

## UPDATED STRATEGIC PRIORITIES, FY26-FY28

36. Reflections from progress made to date, remaining gaps identified, and feedback received from internal and external stakeholders including CAO staff, showed that the five Strategic Priorities defined in FY21 remain relevant to support and implement CAO’s mandate. Consequently, for the new strategic cycle in FY26-28, CAO is updating the Strategic Priorities in a way that builds on progress but reorients them to focus on outcomes and impact. The updated priorities are outlined below:

### STRATEGIC PRIORITY I: INCREASING THE IMPACT OF CAO’S CASEWORK

37. For the new strategic cycle, CAO is increasing its focus on outcomes generated from CAO casework, both from dispute resolution processes and compliance reviews.
38. For **dispute resolution processes**, lines of actions will include:
- i. **Systematizing use of soft timelines<sup>18</sup> to improve efficiency.** Although the CAO Policy does not stipulate timelines for dispute resolution processes, a [recent independent evaluation of CAO dispute resolution processes](#) showed that implementing soft timelines could increase efficiency and effectiveness by preventing delays in the process. After piloting this approach in FY24-FY25 for a subset of cases, CAO intends to apply it to the entire dispute resolution caseload, accompanied by monitoring of set milestones.
  - ii. **Increasing capacity building to support parties to engage in conflict resolution.** Studies show that community mediation processes incorporating capacity building have a 30-50 percent higher success rate in sustaining the agreement.<sup>19</sup> Capacity building can also play a crucial role in ensuring the longevity of mediated agreements by providing fundamental techniques to help parties resolve future conflicts independently. CAO intends to roll out the use of a Capacity Building Toolkit developed in FY25 and explore resource mobilization opportunities to increase impact through capacity building.
  - iii. **Improving consistency of dispute resolution monitoring.** CAO will define a set of guidelines to determine whether the implementation of agreements is mutually satisfactory to the parties and determine the criteria and procedure for closing cases following dispute resolution monitoring.

<sup>18</sup> Soft timelines refer to a flexible deadline or timeframe for completing a case, where the exact date for completion is not strictly enforced and can be adjusted based on the circumstances required to complete the case.

<sup>19</sup> Studies of the Kenya community capacity building initiative following the 2007-2008 post-election violence.

- iv. **Enhance engagement with IFC/MIGA.** CAO will encourage more active and predictable participation in dispute resolution processes by: i) encouraging participation of IFC/MIGA as an observer; and ii) proactively reviewing repeat cases for collective resolution with IFC/MIGA.
39. For **compliance review processes**, lines of action will include:
- i. **Further systematizing case management tools** to ensure adherence to policy timelines. This will include early identification of the level of complexity in compliance cases to anticipate challenges and assign commensurate resources. In addition, CAO will implement a production schedule with automatic tracking of key case milestones, deliverables, and timelines for quality reviews to facilitate more agile management of cases.
  - ii. **Strengthening the quality of case outputs.** For example, by developing standardized methodologies and strengthening the capacity of compliance staff to formulate impactful recommendations aimed at addressing non-compliances and related harm, and structuring internal quality review processes as well as periodic peer reviews of compliance reports.
  - iii. **Implementing a risk-based approach to monitoring of MAPs** to determine the modality and level of monitoring required. This will include development of monitoring plans with indicators that guide CAO's verification of the effectiveness of IFC/MIGA implementation of MAP actions with greater transparency.
  - iv. **Improving engagement with stakeholders.** For example, earlier engagement with IFC/MIGA on findings and recommendations of compliance investigations to raise the level of understanding and adoption of recommendations, and closer communication with complainants including simpler ways to communicate the findings of compliance reviews that enhance complainants' ability to engage in the MAP process.
40. Additional efforts to increase the impact of CAO's overall case work will also include:
- i. **Revamping the eligibility determination process.** This will involve assigning a dedicated staff member to conduct eligibility determinations. The eligibility lead will define more precise methodologies, streamline information request processes, and conduct consultations with CAO's eligibility committee and IFC/MIGA (when applicable). CAO expects this change to enhance the quality of complaint intake and help manage the increasing number of complaints while maintaining adherence to CAO Policy timelines.
  - ii. **Developing a systematic approach to identifying and managing threats and reprisals risks.** In response to recommendations from an [independent review](#) of CAO's approach to threats and reprisals completed in FY24, CAO will implement a risk-based approach in FY26-FY28 that identifies the level of reprisal risk at an early stage of case handling, enabling a tailored action plan to manage and monitor reprisal risks.

- iii. **Full implementation of CAO’s revamped Monitoring and Evaluation system** to enhance CAO’s ability to track, monitor, and report on case outcomes. This will require the recruitment of a monitoring and evaluation associate to draw insights to enhance CAO’s casework.

## STRATEGIC PRIORITY 2: FOSTERING INSTITUTIONAL CHANGE THROUGH LEARNING

- 41. Priority lines of action for CAO’s advisory work in FY26-FY28 will be concentrated in:
  - i. **Enhancing the quality and impact of CAO’s knowledge products.** To increase impact, CAO will systematically identify priority areas for knowledge development that are relevant to enhance IFC/MIGA’s E&S performance; invest in more robust methods for data capture, knowledge management, and dissemination of advisory work; and increase engagement with stakeholders to elevate the influence and impact of CAO’s advisory work.
  - ii. **Developing thought leadership for impact.** During FY26-FY28, CAO will prioritize advisory inputs to inform the update of IFC’s Sustainability Framework by drawing on emerging issues and analysis from its casework. In addition, CAO will continue to support the institution in relation to strengthened grievance response, the remedial action framework, and managing responsible exits. CAO will also continue to develop impactful knowledge products on emerging E&S risk management topics.

## STRATEGIC PRIORITY 3: STRENGTHENING STAKEHOLDER ENGAGEMENT TO IMPROVE OUTCOMES

- 42. Building on the progress made in the last three years on stakeholder engagement, CAO’s priority areas for the next three years will be focused on:
  - i. **Implementing strategic communications and engagements.** CAO will fully implement its revamped strategic communications plan by adding efforts to reach IFC/MIGA regional and country level counterparts considering the recent re-organization of the E&S governance structure. Special emphasis will be made also to engage with CSOs at the regional/country level, including leveraging opportunities for engagement with local organizations where possible when CAO staff are traveling for case work.

- ii. **Mainstreaming “continuity of care” in CAO processes.** CAO will make additional efforts to improve communication with complainants and enhance CAO’s “continuity of care” as a case moves through the CAO process. For example, CAO will implement more frequent and personalized communications on the status of cases; design simplified and graphical ways to explain CAO processes; and identify opportunities to engage more sensitively and consistently with complainants during compliance review processes.
- iii. **Enhancing transparent and meaningful reporting of case outcomes.** CAO seeks to enhance its reporting of case outcomes to the Board and other internal and external stakeholders, drawing on effectiveness indicators captured via the revamped M&E system. This effort will also require investments in modern technology and tools such as an open data platform to make CAO data accessible to the public, similar to other World Bank Group data, while abiding with relevant confidentiality and data privacy policies. CAO will also increase the use of social media, short videos, and interactive informational materials to enhance stakeholder engagement and communicate impact.

## STRATEGIC PRIORITY 4: ENHANCING STAFF CAPACITY AND WELLBEING

- 43. Maintaining a sufficient, professional, and motivated workforce will continue to be one of CAO’s top priorities given the complex nature of its work. CAO faces unique pressures as an independent mechanism managing a substantial caseload of sensitive cases and issues involving vulnerable communities and navigating complex stakeholder relations and expectations. Specific lines of action will be prioritized to respond to staff needs and feedback, with a particular focus on building staff capacity, career development, recognition, diversity and inclusion, and mental health support. Specifically, CAO will:
  - i. **Improve workforce management including staff capacity, career development, and recognition.** Lessons from the current workforce planning cycle have shown that relying on temporary contract modalities to perform CAO’s core work affects both the sustainability of the case work and the stability of the workforce. As such, for the new cycle, CAO’s objective is to reduce the utilization of such contracts to enhance predictability of resources in the longer term, manage heavy workloads, and reduce turnover. Also, CAO plans to heavily invest in strengthening the capacity and seniority of its workforce by developing a robust training plan that combines the technical needs of the office with opportunities for staff growth and retention. Lastly, additional career development opportunities and staff recognition practices will be explored such as cross-support collaboration with other WBG units and other institutions’ accountability mechanisms.

- ii. **Enhance the abilities to manage race and equity concerns.** The results of the recent survey on Race raised some concerns about behaviors of discrimination and unequal treatment within CAO. CAO has partnered with Ethics and Internal Justice’s Race and Equity Office to develop a program for CAO staff and leadership with the objective of discussing and learning to manage these issues in a safe and constructive manner. Efforts started in FY25 and will continue for the upcoming years.
  - iii. **Invest in staff well-being and mental health.** Similarly, CAO has partnered with the Health and Safety Directorate (HSD) of the WBG to analyze sources of employee stress raised by staff (high and unpredictable workload, antagonistic stakeholders, management of sensitive cases involving threats and reprisals) and to develop an action plan to support CAO staff’s wellbeing.
44. CAO will continue relying on a staff engagement taskforce composed of representatives from each of the functional areas to implement measures to improve CAO’s work environment such as the weekly coffee connections, bi-annual recognition ceremonies, and a cross-functional buddy system for new staff.

## STRATEGIC PRIORITY 5: IMPROVING THE WAY WE WORK

45. Supporting the expected increased workload and anticipated outcomes will require continued attention on ways to improve overall operational efficiencies. In FY26-28, CAO will focus on the following activities to achieve this:
- i. **Deepen digital transformation.** Building on the work started in FY25, CAO will map all opportunities for using artificial intelligence (AI) in case management and other supporting processes. For example, early analysis shows that AI can be used to conduct research to support case work, review E&S documentation, and produce portions of case reports. CAO will also continue working with ITS to enhance the functionalities of its digital case management system (CASEY) to further pursue efficiencies.
  - ii. **Continued implementation of business process improvements.** CAO will take stock of the implementation of multiple protocols and processes put in place over the last three years and identify opportunities for further adjustment and innovation. This review will include protocols agreed with IFC/MIGA, such as the approach to access to information.
  - iii. **Enhance internal and external collaboration.** Internal collaboration opportunities will be further explored in areas such as the information links between case work and the advisory function, and the level of information sharing when a case is transferred from one phase to another. CAO will also prioritize opportunities to further collaborate with other oversight units of the WBG and the IAMs of other institutions to avoid duplication and enhance outcomes for complainants.

## REVAMPED MONITORING AND EVALUATION FRAMEWORK

46. CAO has enhanced its Monitoring and Evaluation (M&E) framework to better track progress, report on implementation of its Strategic Priorities, and enable the Board to assess CAO’s efficiency and effectiveness in achieving its mandate. This framework measures three areas of progress: 1) **productivity**—the delivery of CAO outputs, both case-related and other activities; 2) **efficiency**—progress toward CAO Policy timelines for case processing; and 3) **effectiveness**—outcomes resulting from CAO interventions.
47. **CAO’s M&E framework has proven useful** for tracking and reporting on progress toward its strategic objectives. For the FY26–FY28 cycle, CAO will continue monitoring its level of productivity by tracking and reporting case-related outputs for each of the case phases on a quarterly basis: eligibility, assessment, dispute resolution, dispute resolution monitoring, compliance appraisal, compliance investigation, and compliance investigation monitoring. Given the expectation that CAO will be able to eliminate its case backlog by the end of FY25, tracking progress towards backlog reduction will cease for the next strategic cycle.
48. Close attention will still be given to maintaining **compliance with CAO Policy timelines** for handling cases in eligibility (15-35 days); assessment (90-120 days); compliance appraisal (45-75 days); compliance investigation, and compliance investigation monitoring (both 12 months). Once policy timelines are achieved for compliance investigations by end of FY25, CAO expects most cases will be handled within CAO Policy timelines, with only high complexity cases requiring additional engagement or analysis taking additional time.
49. Over the next three years, **CAO will make additional efforts to test, strengthen, and disseminate its revamped effectiveness indicators.** CAO is the first independent accountability mechanism to define a suite of indicators to evaluate progress towards outcomes. After piloting and refining the 15 indicators, CAO expects in FY26–FY28 to draw insights from annual evaluations of outcomes and, as a result, systematically implement changes in its processes to enhance its impact in case and non-case work. Full implementation of CAO’s planning, monitoring, and evaluation framework will require enhanced staff capacity, including a new dedicated strategy and operations function and the recruitment of a monitoring and evaluation specialist, a data analyst, and a function lead.

