

DECEMBER 2025

## Assessment Report

Regarding the Thirteenth Complaint Received in Relation to IFC's investments in the Microfinance Initiative for Asia (MIFA) Debt Fund (IFC Project #31467) and Amret Microfinance Institution Equity (IFC Project #34748) in Cambodia

## About CAO

The Office of the Compliance Advisor Ombudsman (CAO) is the independent accountability mechanism of the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA), members of the World Bank Group. We work to facilitate the resolution of complaints from people affected by IFC and MIGA projects in a fair, objective, and constructive manner, enhance environmental and social project outcomes, and foster public accountability and learning at IFC and MIGA.

CAO is an independent office that reports directly to the IFC and MIGA Boards of Executive Directors. For more information, see <http://www.cao-ombudsman.org/about-us>.



## List of Acronyms

Amret	Amret Microfinance Institution PLC
CAO	Office of the Compliance Advisor Ombudsman
FI	Financial Intermediary
FMO	Dutch Entrepreneurial Development Bank
GRM	grievance redress mechanism
IFC	International Finance Corporation
LOLC	LOLC Plc
MFI	microfinance institutions
MIFA	Microfinance Initiative for Asia
MIGA	Multilateral Investment Guarantee Agency
NBC	National Bank of Cambodia

# 1. Summary

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In June 2025, the Office of the Compliance Advisor Ombudsman (CAO) received a complaint from two individual complainants represented by the Cambodian League for the Promotion and Defense of Human Rights, a nongovernmental organization, regarding alleged harmful lending practices in the Cambodian microfinance sector linked to an International Finance Corporation (IFC) client, Amret Microfinance Institution PLC (“Amret”) ([IFC Project: Amret MFI Equity 34748](#)) and an IFC sub-client, LOLC Plc (“LOLC”). LOLC is a sub-client of the IFC through IFC’s investment in the Microfinance Initiative for Asia (MIFA) Debt Fund ([IFC Project: MIFA Debt Fund 31467](#)). LOLC and Amret are two of the six financial institutions that are the subject of an ongoing CAO compliance investigation regarding the practices of four banks and two microfinance institutions in Cambodia; and LOLC is also involved in another ongoing CAO dispute resolution case.<sup>1</sup>

The complainants secured multiple loans from Amret and LOLC between 2021 and 2023. They claim that these loans increased their hardship, resulting in the loss of livelihoods and assets and further straining their financial circumstances. They also allege that Amret and LOLC’s lending practices, along with threats from credit officers and the absence of an effective grievance mechanism, have harmed them and their families. In July 2025, CAO determined that this complaint met its three eligibility criteria and was not the same in all material respects as a previously submitted complaint.<sup>2</sup>

During CAO’s assessment, the complainants, the IFC client Amret and the IFC sub-client LOLC expressed an interest in engaging in a CAO dispute resolution process to address the issues raised in the complaint. In October 2025, during the assessment mission, the CAO team convened the first joint meeting between the complainants and LOLC, and the parties agreed in principle on how to address the issues in the complaint and set the intention of reconvening in December 2025 to continue engaging in the CAO-facilitated dispute resolution process. In accordance with the CAO policy (paragraph 59, page 13),<sup>3</sup> CAO’s Dispute Resolution function will handle the complaint going forward.

In response to the complainants’ requests and the need to resolve sensitive financial and social issues related to different financial institutions, the Dispute Resolution team will handle the components of the complaint related to Amret and LOLC separately. The team will ensure efficiency and coordination of meeting logistics to minimize the burden on the parties and to avoid redundancy in the process.

This assessment report provides an overview of the assessment process, a description of the project, the complaint, the assessment methodology, views of the parties, and next steps.

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<sup>1</sup> Further information on this case can be found at <https://www.cao-ombudsman.org/cases/cambodia-financial-intermediaries-04> and <https://www.cao-ombudsman.org/case/cambodia-mef-mifa-debt-fund-04>.

<sup>2</sup> CAO Policy, para. 42(i).

<sup>3</sup> See CAO Policy at <https://www.cao-ombudsman.org/sites/default/files/documents/CAO%20Policy/ifc-miga-independent-accountability-mechanism-cao-policy.pdf>.

## 2. Background

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**Amret Microfinance Institution PLC.** In 2014, the IFC approved an equity investment of US\$17.5 million for a 19.99 percent ownership stake in Amret as well as a US\$10 million senior bank loan of. (#34748)<sup>4</sup> The objective of this investment was to support Amret's transformation and long-term development strategy. The project was classified as FI-2.

Amret, a deposit-taking microfinance institution (MFI), is among the top 10 financial institutions in Cambodia. It was set up in 1991 by the French organization GRET as a rural credit project operating through village associations in three provinces (Kandal, Kampong Speu, and Prey Veng).<sup>5</sup> Advans became Amret's majority shareholder (with 52.78 percent) in 2014–2015 and IFC, currently owns 15.99 percent of Advans shares. In May 2024, Taiwan, China-based Bank SinoPac acquired Amret for approximately US\$543 million.<sup>6</sup> Amret is currently owned by Bank SinoPac Company with 80% shares, IFC 10%, and the Dutch Entrepreneurial Development Bank (FMO) 10%.<sup>7</sup>

**Microfinance Initiative for the Asia Debt Fund.** The MIFA Debt Fund was launched by the IFC, KfW, and BlueOrchard Finance to increase access to finance for micro-borrowers and low-income households in East Asia, South Asia, and Central Asia (IFC project MIFA #31467). According to the IFC, the fund offers market-based debt financing, with an emphasis on local currency and long-term financing. It provides financing to financial entities, particularly smaller and less-developed ones, serving micro-enterprises or MFIs. It contributes to the establishment of microfinance as an asset class with mainstream investors and the leveraging of donor funds with private capital. The fund also supports capacity building for financial entities serving micro-enterprises. The fund is managed by BlueOrchard Finance, a leading global commercial microfinance investment manager. IFC's Board approved an investment of US\$20 million in mezzanine shares in 2012 for up to 20% stake in the MIFA Debt Fund. IFC made a \$16.75 million investment in the fund; as of September 30<sup>th</sup>, 2025, IFC holds an 8.71 percent stake. The investment was categorized as FI under the IFC's previous 2006 Sustainability Policy.

**LOLC** received eight loans from the MIFA Debt Fund between 2014 and 2024, totaling \$20 million, with two loans outstanding as of November 21<sup>st</sup>, 2025, totaling \$2 million and maturity dates of November 26<sup>th</sup>, 2025, and June 10<sup>th</sup>, 2026 (Figure 2). As of September 2025, the investor update for the MIFA fund indicated that its exposure to LOLC comprises 3.9% of the fund's net asset value.<sup>6</sup> LOLC was previously a sub-client of the IFC via the Microfinance Enhancement Facility (MEF) fund, but LOLC paid off that loan on October 25, 2024.

LOLC<sup>8</sup> is an MFI licensed by the National Bank of Cambodia (NBC) since 2003. Founded in 1994 as a credit program managed by the nonprofit organization Catholic Relief Service, it was incorporated in 2002 under the name Thaneakea Phum (Cambodia) Limited. In 2015, it changed its name to LOLC (Cambodia) Plc. LOLC is a former direct IFC client through a loan to support

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<sup>4</sup> See [IFC Management Board Review Request](#)

<sup>5</sup> See <https://www.amret.com.kh/en/about-amret>

<sup>6</sup> See <https://www.phnompenhpost.com/business/local-mfi-sells-for-half-billion>

<sup>7</sup> See <https://www.amret.com.kh/en/shareholder>

<sup>8</sup> See <https://www.lolc.com.kh/en/an-overview-en>

micro, small, and medium enterprises in the agricultural sector (IFC project #34422). IFC exited the project in 2017.

Figure 1. IFC Financial Links to Amret

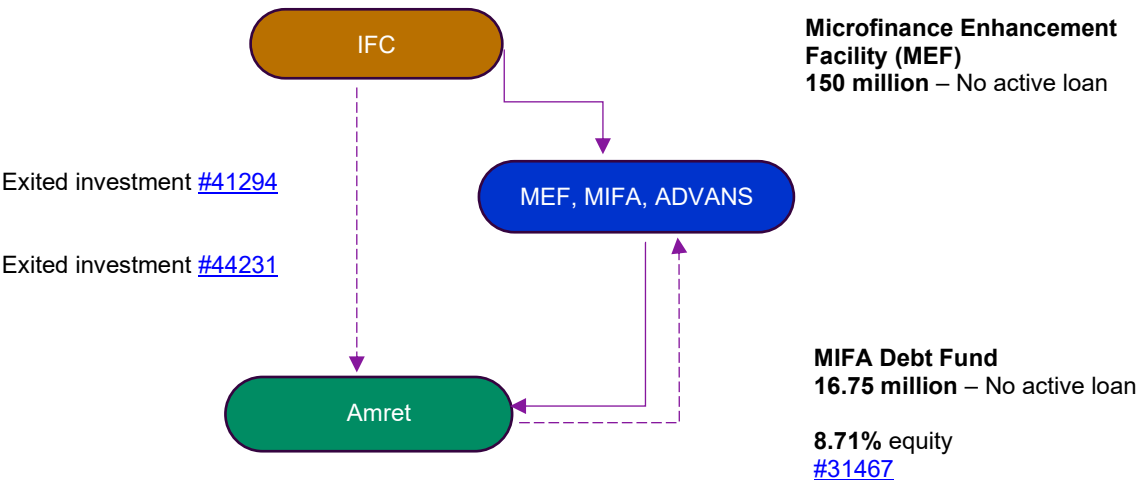
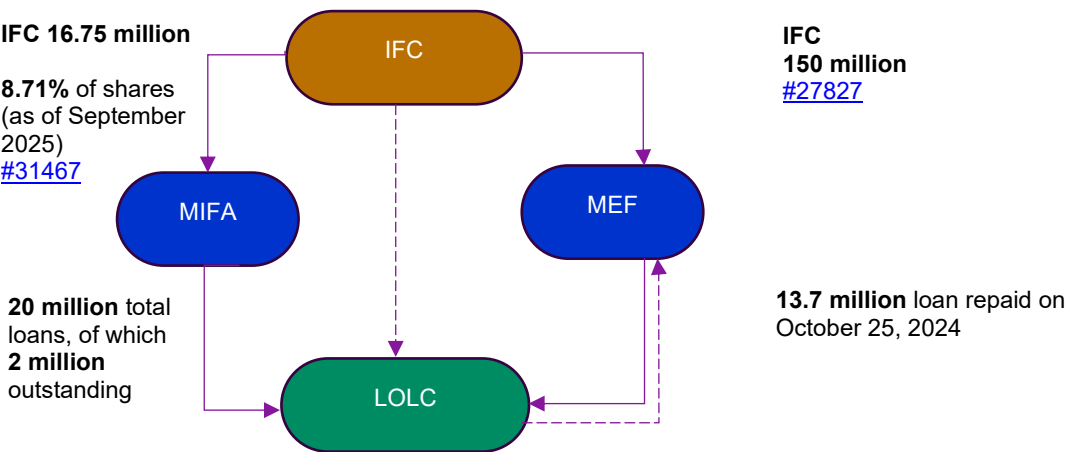


Figure 2 Financial Links to LOLC



### 3. Assessment Purpose and Methodology

#### Purpose of Assessment

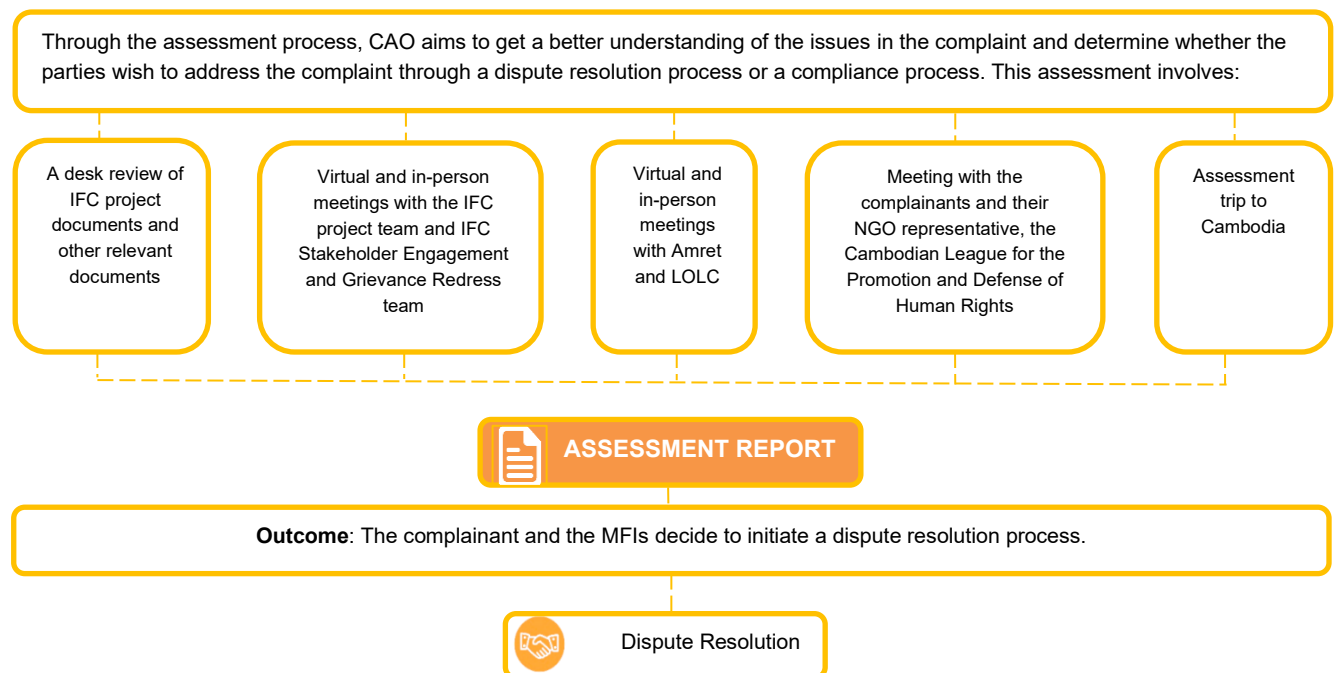
The aim of the CAO assessment process is to develop a thorough understanding of the issues and concerns raised by the complainant(s), gather information on the views of different stakeholders, and determine if the complainant(s) and the IFC client(s) want to pursue the dispute resolution process facilitated by CAO or if the complaint should be handled by CAO's Compliance function to be appraised against IFC's performance standards. (See appendix A for a description of CAO's complaint-handling process.)

CAO's assessment process does not make judgments on the merits of the complaint. The goal is to understand the parties' perspectives and empower those involved to make informed decisions about how to address the issues raised.

#### Assessment Methodology

Figure 3 shows the approach and methodology that is applied in CAO's assessment process.

**Figure 3. CAO Assessment Process**



The assessment was conducted by the CAO assessment team with the support of a local interpreter based in Cambodia, who assisted with Khmer translation and interpretation. The CAO team and the interpreter communicated with the parties and collected information through in-depth virtual and in-person conversations and an on-site mission from September 25 to October 4, 2025.

## 4. Complainants' Perspectives

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The complainants obtained multiple loans from Amret and LOLC between 2021 and 2023, which they allege have caused them significant hardship, including loss of livelihood, negative impacts on their children's education, and additional financial burdens. The complainants claim that they have been harmed by Amret and LOLC's harmful lending practices, including experiencing threats and intimidation from credit officers when they were unable to repay the loans and having to navigate an ineffective grievance redress mechanism (GRM) to address their concerns. The issues raised by the complainants in their complaint and shared in-person with the CAO assessment team are explained below.

### **Reduced Income and Increased Debt**

The complainants reported that they obtained loans from Amret and LOLC to purchase fertilizer and rice seeds for dry-season farming. However, due to severe flooding that damaged their crops, they incurred significant losses and were unable to meet their loan repayment obligations. They allege that pressure by credit officers to repay these loans, including threats and intimidation, compelled them to seek additional financing from informal money lenders, significantly increasing their overall indebtedness. The complainants further claimed that credit officers pressured them into selling personal property to repay outstanding debts.

*Complainant 1* said that she was able to make regular interest payments during the first year of the loan but lacked the resources to repay the principal. She claimed that credit officers visited her home, restructured the loan, and required her to begin repaying both the principal and interest. The complainant said that during the loan restructuring process, she was short by US\$5, and in response, the credit officer suggested that she pawn her phone or ask relatives for money to cover the shortfall and inquired whether she had any assets at home that could be sold. The complainant said she managed to comply for several months under this pressure but eventually could no longer make the payments. She explained that she had sold several income-generating assets to meet the repayment demands, including a water pump, a pesticide sprayer, and other essential farming tools needed for dry-season rice cultivation.

*Complainant 2* reported that she took out a loan from an informal money lender to cover her debts because she did not have sufficient funds to meet her loan obligations with LOLC and Amret. She said she had sold her motorcycle, hand tractor, and various agricultural tools to repay the informal money lender and that, ultimately, she had to sell her land to repay her Amret loan.

Both complainants claimed that selling essential farming equipment and land—critical sources of income generation—has impacted their livelihoods, reduced their capacity to continue productive farming, and deepened their financial vulnerability.

### **Negative Impacts on Family, Health, and Children's Education**

*Complainant 1* said a credit officer visited her home while she was away and informed her children about the outstanding debt. She claimed that her children later told her they were unable to focus on their studies due to the stress caused by the family's financial situation and eventually dropped out of school to earn income that would help their parents repay the loan. The complainant expressed deep concern that her children are now working under harsh conditions and missing out on their education.



*Complainant 2* claimed that her husband was poisoned by pesticides while spraying during the dry season farming period. She believes his illness is linked to the loan from LOLC and Amret because he had to exert himself more than usual during pesticide application to meet the repayment obligations. The complainant said that she informed the credit officers that she was unable to work due to her pregnancy and her husband's poor health and that, in response, the credit officer suggested that her children take up seasonal work harvesting cashew nuts to earn wages but that she had refused.

### **Threats and Intimidation**

Both complainants claimed that credit officers visited their homes monthly and threatened to report them to the village chief and pursue legal action if they failed to make loan payments. The complainants both said that they had explained to Amret and LOLC that they had no understanding of legal procedures, and they had repeatedly followed up with the credit officers to convey that they were unable to repay their loans for reasons including a husband's illness and the need to care for young children. The complainants both alleged that the credit officers of Amret and LOLC threatened them, saying that if they couldn't pay, their children and future descendants would be held responsible for their debts. The complainants said they did not want their children to bear this burden and therefore agreed to the final loan restructuring agreement with unfavorable terms.

At the time of submitting the complaint to the CAO, the complainants requested that their personal information be kept confidential due to fear of threats and intimidation. However, they agreed to disclose their information and the details of the complaint to Amret and LOLC during CAO's September–October 2025 assessment trip.

### **Lack of Effective GRM**

The complainants reported that they approached the bank's GRM at the commune-level and the NBC, the regulator responsible for handling borrower grievances, on multiple occasions to request a loan cancellation due to their inability to repay, but without success. They also submitted complaints through NBC's grievance platforms but were unable to reach a resolution.

According to one of the complainants, LOLC restructured her loan, reduced the interest rate, and allowed her to pay only interest for a six-month period. She subsequently requested a full interest waiver and proposed making payments of \$25 per year—or contributing what she could base on her income, but this request was denied by LOLC's Kampong Thom provincial office. She contacted the NBC but received no remedy.

Between April and May 2023, the complainants submitted formal complaints to the NBC but, according to both, the NBC declined to accept the complaint from one of the individuals, stating that both submissions were identical and proceeding only with the request filed by the second complainant, which did not result in substantive relief. The complainant whose submission was accepted said that the NBC informed her they would forward her concerns to LOLC and arrange a meeting between the parties. A meeting was scheduled, but she was unable to attend due to her pregnancy, and her complaint was already undergoing a CAO process.

## 5. IFC/MIGA Client's and Subclient's Perspectives

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During the assessment phase, CAO engaged with representatives from Amret, MIFA, and LOLC. All parties expressed their support for the CAO process and demonstrated a willingness to identify mutually acceptable solutions.

### **Amret's Perspective**

Amret representatives acknowledged that over-indebtedness is a systemic issue in the microfinance sector and emphasized their commitment to addressing it. As part of their efforts, Amret's board and shareholders have established a client protection committee tasked with developing and implementing measures to mitigate borrower over-indebtedness, including enhanced training for their clients and a revision to their lending guidelines to promote more sustainable lending practices. In response to the concerns raised in the complaint, Amret provided the following information regarding their policies and internal processes.

#### *Loan Restructuring*

Amret stated that about 10 percent of its portfolio consists of restructured loans carried out in accordance with NBC guidelines. Amret noted that it also offers loan restructuring in response to broader economic disruptions, such as the COVID-19 pandemic and the 2025 Cambodia–Thailand conflict. Amret clarified that a new loan restructuring policy was introduced after 2023. According to Amret, because this policy was not in place at the time the complainants requested restructuring, it could not be applied to their cases. However, one complainant's loan was restructured in May 2023, following the submission of her complaint. Amret stated that she made regular payments from June to October 2023 but subsequently requested an additional loan of US\$4,000, which was denied by Amret based on its assessment of her repayment capacity. According to Amret, after the denial, the complainant stopped making payments and filed a request with the NBC in April 2024 for debt cancellation, which was also denied.

#### *Loan Assessment and Collateral*

Amret confirmed that their loan disbursement process history includes due diligence to ensure loans are aligned with the borrower's repayment capacity. One of the complainants received a group loan, which did not require collateral because such loans are unsecured by design. The second complainant has been a customer of Amret for seven years, with a strong record of repayment. Amret claimed that she had gradually increased her borrowing and had recently obtained a loan for agricultural purposes, specifically for cultivating 20 hectares of rice farmland, and that her loan had been granted based on her landholding and repayment history at the time of application. According to Amret, her income declined after the government prohibited farming in certain areas adjacent to the river, which impacted her ability to repay.

Amret said it holds the soft title deed for a borrower's land as a security instrument, which does not impede the borrowers' ability to generate income from the property. Amret expressed concerns that if the land title were returned, there would be a significant risk that the borrowers would sell the asset to repay debts to other lenders. Amret claimed that this would result in the loss of their primary productive assets and could expose the institution that facilitated the sale to allegations of causing the borrowers to become asset-poor. Furthermore, Amret noted, the request to release collateral appears to conflict with the broader sector goal of preventing over-indebtedness. According to Amret, if the land title were released, it could be used as collateral for

new loans from other MFIs, potentially deepening the clients' debt burden rather than alleviating it.

#### *Borrower Complaints and Grievance Mechanisms*

Amret claimed that their GRMs work well and that the loans were restructured when the complainants made their requests at Amret offices. Amret said it provides several channels for borrowers to voice complaints, including at branch offices and at the head office. Borrowers are encouraged to escalate their concerns to external bodies such as the NBC and the recently established Financial Consumer Protection Center.

#### *Threats and Intimidation*

Amret explained to CAO that, over the past three years, it has provided training to its loan officers on responsible loan collection practices, with a focus on eliminating threats and intimidation. Amret noted that it has also restructured its incentive system for recovery officers to discourage undue pressure on borrowers. Amret attributed any continued instances of threatening behavior to individual noncompliance with internal policies and expressed a willingness to investigate such cases. While aggressive collection practices were more common in the past due to competition among MFIs, Amret noted that loan officers have since received training in ethical collection methods, and the Customer Rights Bill has been updated to strengthen borrower protections.

Amret highlighted that several sector-wide reforms have been implemented, including penalties for aggressive collection behavior. It stated that it has established clear guidelines—dos and don'ts—for loan collection, and that it actively investigates complaints of misconduct. It claimed that its investigations have not discovered any evidence of threats, intimidation, or retaliation. Amret asserted that it offered refinancing options to the complainants and noted that, according to payment histories, borrowers tend to repay Amret last—after other lenders—because it does not exert pressure to collect payments. Amret confirmed that it has ceased demanding loan repayments from the complainants since 2024 to allow them time to recover financially.

### **LOLC's Perspective**

LOLC is interested in putting in measures to ensure that indebtedness will not be a problem for borrowers. An expert has been hired to train LOLC bank officers on loan collection practices, especially for clients who are under debt stress. According to LOLC, its business thrives on trust between it and borrowers, and it is also interested in handling grievances in the best interest of borrowers. The LOLC team explained that because it believes in inclusion and finding a way to address challenges by working together, it is committed to addressing the cases by finding long-term sustainable solutions while mitigating larger issues. It claimed to be committed to working toward addressing the problem.

LOLC expressed a willingness to work collaboratively with the complainants to address the complaint. Its responses to concerns raised by the complainants regarding its lending and collection practices are summarized below.

#### *Loan Restructuring*

*Complainant 1.* According to LOLC, in June 2019, the complainant began borrowing through group and unsecured loans, with interest being paid each month and principal to be paid on an annual basis. LOLC stated that she received a loan from LOLC to plant dry-season rice on 20 hectares of rice farming land, which could bring in good revenues if the rice is harvested as planned. Unfortunately, the complainant lost her crop due to the flood. LOLC stated that they tried to restructure her loan following discussions with her and did not apply any penalties.

Furthermore, LOLC indicated that farming in certain areas that could have a negative impact on fisheries was prohibited by the government of Cambodia beginning in 2021, which affected the complainant.

*Complainant 2.* According to LOLC, the complainant started with a loan of 5 million riels in 2019, and when the loan repayment was delayed, the credit officers engaged with her to explore feasible repayment options. LOLC noted that, in 2024, the complainant's interest rate was reduced by 40 percent, lowering her monthly interest payment from 100,000 to 70,000 riels. Despite this adjustment, the complainant continued to struggle to make any payments. According to LOLC, to ensure transparency and avoid any perception of coercion, LOLC invited the borrower to the local commune office for a meeting, allowing the commune authorities to witness the discussions. Although a repayment schedule was agreed on in May 2025, the borrower failed to make subsequent payments.

#### *Loan Assessment and Collateral*

LOLC confirmed that both complainants received unsecured group loans for which no collateral was required or collected. LOLC further clarified that it does not hold land titles for either borrower, therefore any land sales undertaken by the complainants are unrelated to the LOLC loans.

LOLC highlighted their borrower-focused lending approach, explaining that loan assessments are conducted based on the borrower's capacity, character, financial condition, capital, and collateral, and such a comprehensive evaluation ensures that lending decisions are tailored to the borrower's specific financial circumstances. LOLC underscored its flexible approach to loan recovery, particularly for borrowers facing financial hardship. For example, if a borrower is unable to meet full repayment obligations but is able to make partial payments, LOLC will accept that without resorting to legal action.

#### *Borrower Complaints and Grievance Mechanisms*

LOLC affirmed that its board mandated that the institution provide redress to borrowers. It says it is therefore committed to resolving issues constructively by engaging all relevant parties and stakeholders to find appropriate solutions. LOLC claimed it has several channels through which borrowers can submit complaints, including direct communication with branch staff, a dedicated LOLC hotline, the NBC hotline, and the Financial Consumer Protection Center. LOLC reiterated that it is focused on rebuilding trust, especially in areas where communication around GRMs has broken down and is committed to strengthening borrower engagement and developing long-term solutions.

LOLC emphasized that it has a well-structured grievance redress system, which it believes ranks among the stronger mechanisms in the sector. LOLC further claimed that information about its GRM is provided to borrowers through multiple channels, including loan documents, repayment schedules, and the loan folder bags distributed to borrowers, where hotline numbers for LOLC and Cambodia Microfinance Association hotline are printed in bold. According to LOLC, the hotline is managed by LOLC's head office, and all complaints submitted through this channel are reviewed by the chief executive officer and the compliance officers. LOLC also clarified that its loan contracts follow a standardized format as mandated across the banking and microfinance sectors, which includes GRM contact information. To support borrowers with low literacy levels, LOLC said they developed around 20 illustrated "meta cards" that explain loan terms, interest rates, and grievance procedures, which are reviewed with borrowers during loan assessment and before disbursement.

Regarding the complainants' complaint, LOLC stated that it has had no formal discussions with the NBC since the complaint was submitted to them. According to LOLC, its head office only became aware of the complaint to the NBC on August 11, 2025, and it clarified that it was unaware that the case had been referred to the CAO until the NBC contacted LOLC on September 19, 2025, to facilitate mediation with the complainants, which coincided with a national holiday period.

#### *Threats and Intimidation*

LOLC maintains a zero-tolerance policy regarding threats and reprisals and has conducted an internal investigation into allegations of threats and intimidation. According to LOLC, the investigation did not find any evidence that loan officers engaged in threatening behavior or pressured complainants to sell their assets. LOLC clarified that, in line with its standard procedures, credit officers conduct home visits once or twice a month to follow up on loan repayments if borrowers miss their repayments. These visits are part of the bank's process of assessing the underlying causes of nonpayment.

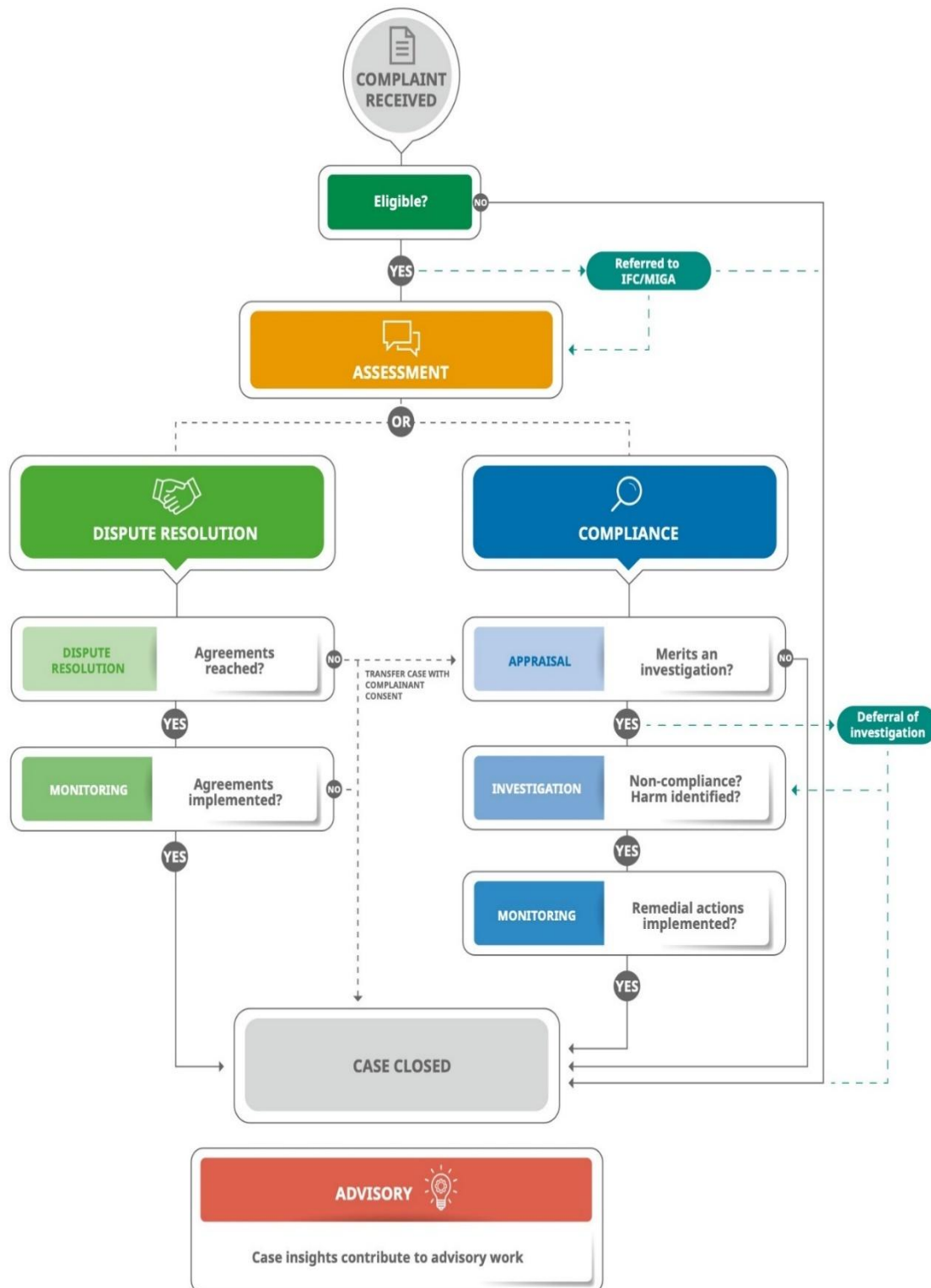
During the September–October 2025 assessment mission, the LOLC and the complainants agreed to engage in a CAO-facilitated dispute resolution process. Following bilateral meetings with the parties, CAO convened the first joint meeting between the parties on October 4, 2025. The objective was to initiate discussions on the ground rules governing future engagement meetings and processes.

## **6. Conclusion and Next Steps**

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The complainants, LOLC, and Amret agreed to participate in a dispute resolution process. CAO will therefore transfer the complaint to CAO's Dispute Resolution function, according to CAO Policy. CAO will facilitate the dialogue process, including helping the parties prepare for the dialogue, agreeing on ground rules and the scope of the dialogue, and working together in a collaborative way to try to reach a resolution of the issues raised in the complaint and summarized in this assessment report.

## Appendix A. CAO's Complaint-Handling Process





In accordance with the IFC/MIGA Independent Accountability Mechanism (CAO) Policy, the following steps are typically followed in response to a received complaint:

- Step 1:       **Acknowledgment** of receipt of the complaint.
- Step 2:       **Eligibility.** A determination of the complaint's eligibility for assessment under the mandate of CAO (no more than 15 business days).
- Step 3:       **Assessment.** Assessing the issues and providing support to stakeholders in understanding and determining whether they would like to pursue a consensual solution through a collaborative process convened by CAO's Dispute Resolution function or whether the case should be handled by CAO's Compliance function to review IFC's/MIGA's environmental and social due diligence. The assessment time can take up to a maximum of 90 business days, with the possibility of extension for a maximum of 30 additional business days if after the 90-business day period (1) the parties confirm that resolution of the complaint is likely or (2) either Party expresses interest in dispute resolution, and there is potential that the other Party will agree.
- Step 4:       **Facilitating settlement.** If the parties choose to pursue a collaborative process, CAO's Dispute Resolution function is initiated. The dispute resolution process is typically based on or initiated by a Memorandum of Understanding and/or mutually agreed-upon ground rules between the parties. It may involve facilitation/mediation, joint fact finding, or other agreed resolution approaches leading to a settlement agreement or other mutually agreed and appropriate goals. The major objective of these types of problem-solving approaches will be to address the issues raised in the complaint, and any other significant issues relevant to the complaint that were identified during the assessment or the dispute resolution process, in a way that is acceptable to the parties affected.
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- Compliance appraisal/investigation.** If the parties opt for an investigative process, the complaint is transferred to CAO's Compliance function. A complaint is also transferred to the Compliance function when the dispute resolution process results in partial or no agreement. At least one affected community member must provide explicit consent for the transfer, unless CAO is aware of concerns about threats and reprisals. CAO's Compliance function reviews IFC/MIGA's compliance with environmental and social policies, assesses related harm, and recommends any appropriate remedial actions following a three-step process. First, a compliance appraisal determines whether further investigation is warranted. The appraisal can take up to 45 business days, with a possible extension of 20 business days in exceptional circumstances. Second, if an investigation is warranted, the appraisal is followed by an in-depth compliance investigation of IFC/MIGA's performance. An investigation report is made publicly available, along with IFC/MIGA's response and an action plan to remediate findings of noncompliance and related harm. Third, in cases where noncompliance and related harm are found, CAO monitors the effective implementation of the action plan.
- Step 5:       **Monitoring and Follow-Up**
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Step 6: **Case Closure**