



CAO ASSESSMENT REPORT

**Regarding labour concerns in relation to
IFC's Tata Tea project (#25074) in Assam, India**

November 2013

Office of the Compliance Advisor Ombudsman
for
International Finance Corporation
Multilateral Investment Guarantee Agency
www.cao-ombudsman.org

About the CAO

The Office of the Compliance Advisor Ombudsman (CAO) is the independent accountability mechanism for the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA), the private sector arms of the World Bank Group. The CAO reports directly to the President of the World Bank Group, and its mandate is to assist in addressing complaints from people affected by IFC/MIGA supported projects in a manner that is fair, objective and constructive and to enhance the social and environmental outcomes of those projects.

For more information, see www.cao-ombudsman.org

TABLE OF CONTENTS

TABLE OF CONTENTS 3

LIST OF ACRONYMS4

1. OVERVIEW.....5

2. BACKGROUND.....5

 2.1. Project.....5

 2.2. Complaint.....5

3. ASSESSMENT SUMMARY 6

4. NEXT STEPS.....13

LIST OF ACRONYMS

AASAA	All Adivasi Students Association of Assam
ABITA	Assam Branch India Tea Association
ACMS	Assam Chah Mazdoor Sangha
ATTSA	Assam Tea Tribes Student Association
APPL	Amalgamated Plantations Private Limited
CAO	Office of the Compliance Advisor Ombudsman
CITU	Center of India Trade Unions
DBSS	Diocesan Board of Social Services
ESOP	Employee Stock Ownership Program
IFC	International Finance Corporation
MIGA	Multilateral Investment Guarantee Agency
NGO	Non Governmental Organization
PAD	Peoples' Action for Development
PAJHRA	Promotion and Advancement of Justice, Harmony and Rights of Adivasis
PLA	Plantation Labor Act
TTL	Tata Tea Limited

1. OVERVIEW

In February 2013, CAO received a complaint from three NGOs from Assam on behalf of workers concerned about labor and living conditions in Amalgamated Plantations Private Limited's (APPL) tea plantations in Assam, India. The three NGOs are People's Action for Development (PAD), Promotion and Advancement of Justice, Harmony and Rights of Adivasis (PAJHRA) and the Diocesan Board of Social Services (DBSS). The CAO determined that the complaint met its three eligibility criteria and began an assessment of the complaint. After conducting an assessment including field visits from April 4 – 9, 2013, and June 29 – July 3, 2013, the NGOs and the company could not reach an agreement on ground rules for the assessment to be finalized. Moreover, the parties were unable to agree on the role of local NGOs and their broader networks in considering a dispute resolution process moving forward. The case will accordingly be handled by CAO compliance. This Assessment Report provides an overview of the assessment process, including a description of the project, the complaint, the assessment methodology, and next steps.

2. BACKGROUND

2.1 The Project

IFC's project with APPL, named by IFC as Tata Tea, is to enable the setting up of a company which would acquire and manage the 24 tea plantations located in Assam and West Bengal which were owned by Tata Tea Limited (TTL), now Tata Global Beverages Limited. With the acquisition of the tea plantations, the new company (APPL) would implement a sustainable "worker-shareholder" model, in which the management and employees would have a significant shareholding. The total grant area under the plantations is approximately 24,000 hectares with about 20,000 hectares in Assam and 4,000 hectares in West Bengal. The project employs an approximate 30,000 people.

The total project cost including capital expenditure and working capital is estimated at \$87 million; the IFC investment comprises an equity investment of \$7.8 million. TTL holds a 49.6% shareholding of APPL with the remaining balance held by other investors.

2.2 The Complaint

In February 2013, three local NGOs filed a complaint on behalf of tea workers working and living in three of the company's tea plantation areas: Naharoni, Hattigor and Majuli. The complaint raises concerns about labor and working conditions at these three plantations, specifically citing long working hours, inadequate compensation, poor hygiene and health conditions, and restricted freedom of association among plantation workers. Furthermore, the complainants question the worker share-buying program, contending workers have been pressured into buying shares, often without proper information about the risks of such an investment. The complainants initially requested confidentiality and so did the three NGOs from Assam that had filed the complaint on behalf of tea workers, and during the assessment, the three NGOs decided to reveal their identity, but not that of the workers. They also referred to a group of advising organizations and individuals, among them Nazdeek and Accountability Counsel. A more detailed summary of issues is presented in Section 3.

3. ASSESSMENT SUMMARY

The purpose of this CAO assessment is to clarify the issues and concerns raised by the complainants, to gather information on how other stakeholders see the situation, and to determine whether the complainants and the company would like to pursue a dispute resolution process under the auspices of CAO Dispute Resolution, or whether the complaint should be appraised by CAO Compliance (see Annex A for CAO's complaint handling process). The CAO does not gather information to make a judgment on the merits of the complaint during its assessment.

The CAO assessment of the complaint consisted of:

- reviewing project documentation;
- conducting meetings with the workers who voiced their concerns, and separate meetings with NGOs advising them;
- conducting meetings with APPL representatives, at the plantation and corporate level;
- conducting field visits of one plantation not subject of the complaint, and one plantation subject of the complaint;
- holding meetings with the unions active in the plantations;
- holding meetings with organizations of student associations;
- holding meetings with the IFC team;
- meeting the Secretary of the Assam Branch India Tea Association (ABITA);
- meeting representatives of the Ethical Tea Partnership and Verde.

See Annex A for an itinerary of meetings during field visit in April and June/July.

The following section summarizes the issues laid out by the different stakeholders; it does not comprise a judgment from CAO about the merits of the complaint.

Based on the original complaint and further discussions undertaken prior to and during CAO's assessment trips, below is a summary of concerns raised by the tea workers, and the NGOs that are working with them. From the perspective of the NGOs, many of the issues expressed by the workers below constitute violations of the Plantation Labor Act (PLA), and other Indian labour laws.

Concerns raised by workers:

Topic	Description
Employee Stock Ownership Program (ESOP)	<ul style="list-style-type: none"> • Workers¹ don't understand concept of shares or the meaning of such an investment. • Workers were not made aware that shares would be bought with funds from workers' provident fund account. In their view the company should have made workers aware of this and received their consent, but claim neither took place. • Workers don't understand the loan program available to them for buying shares, the dividends or the deductions from their pay checks to pay off the loan. • Workers are confused about the appreciation of their share value. • Workers lack understanding and explanation of dividends earned, passbook (saving account), how to read dividends notification letters, and how dividends are determined, how often they need to cash it, and the costs associated with making these transactions. • Those who have some understanding of the need to open bank accounts, report facing cost prohibitive barriers to opening accounts at the recommended banks because the branches are far away, they need additional documentation, photographs etc. • Workers claim they were not given basic documentation regarding shareholding notices, allotment, among others. • Allegations of luring and intimidation by Sardars (<i>working group leader</i>), Garden Manager and the labor union (ACMS) to buy shares. One woman reported feeling threatened by estate staff if she did not buy shares. • Allegations of additional benefits been given to union workers who participated in the ESOP. • Allegations of their own unions not representing them adequately when they did not want to purchase the shares. • Workers claim not having received their Share certificate. • Workers claim there is lack of follow up meetings to report share appreciation and/or explain the share program. • Some think owning shares will add to their job security, and other think it would make them more vulnerable.
Living conditions	<u>Housing</u>

¹ Workers in this table refer to field workers.

	<ul style="list-style-type: none"> • Workers affirm that there are overcrowded worker housing (up to three permanent workers in one house). • Workers claim that permanent workers wait for 10 to 20 years for new housing. • Reports of abysmal state of latrines, creating hardships particularly for women. • Workers claim lack of measures to prevent house damages caused by wildlife. • Reports of uncovered drains that result in women falling into them especially where there is no electricity. <p><u>Water</u></p> <ul style="list-style-type: none"> • Workers claim limited access to water, and irregular tanker supply. Some have pipe, not tap water, and others don't have either. <p><u>Electricity</u></p> <ul style="list-style-type: none"> • Complaints about inflated charges being paid due to bills of cluster meters versus individual meters. • Workers allege there is lack of clarity of how the electricity bill is calculated and how it's commensurate to the usage. • Inconsistent power, limited hours of electricity in a day and in one garden, unavailable for the last two years.. <p><u>Health</u></p> <ul style="list-style-type: none"> • Workers expressed economic impacts when family members become ill. • Workers claim difficulty in accessing medical services; medical facilities are closed after 4 pm. • Workers state there is lack of female doctors to treat female workers. • Workers report instances of pregnant women not receiving the care/benefits due to them. • Allegations of pregnant women made to work beyond the period required by law i.e. for 7-10 hours instead of 6-7 hours per the law. • Workers describe difficulty when they are referred to Government hospitals: workers are not reimbursed actual cost. When workers or their family members urgently need to be transported to Government hospital due to lack of ambulance services, patients are transported by carts. • Workers claim instances of medical costs for children being deducted from their pay when this should be covered by the company by law (PLA). <p><u>Education</u></p> <ul style="list-style-type: none"> • Workers believe there is an inadequate teacher to student ratio that does not meet the minimum recommended standards. E.g. one school has 500 students, 2 teachers and 2 rooms. • Some students have classrooms, others are taught outside, others drop out, and some stay at home looking after small siblings, (crèche closes at 1 pm). • Workers claim poor school conditions, missing fans,
--	--

	and buses.
Working conditions	<p><u>General</u></p> <ul style="list-style-type: none"> • Workers described that lunch break for workers used to be 1 hour; now has been reduced to 30 minutes or less as the last of those weighing in have almost no time. • Workers are confused about benefits and wages, leading them to suspect that they are not getting their due amount. • Workers used to be paid overtime regularly. In the last three years, workers claim that overtime is no longer paid. • Workers used to get double pay when working during holidays. In the last three years, workers claim this has stopped. <p><u>Occupational Health and Safety</u></p> <ul style="list-style-type: none"> • Workers claim they are not being compensated when injured while working. • When injured, workers claim food provision is not provided for their family while they cannot work. • When workers are injured and require medical intervention they claim there is no disposable syringes. • In one case, after a work site accident, a worker described that she was released from the hospital after 5 days. Although the pain returned immediately after, she was not allowed to take sick leave. • Women breastfeeding used to be allowed a 1 hour break to breast feed, now they allege it has been reduced to 15 minutes. • Workers claim impact on vision after prolonged spraying work. • Back pain after carrying heavy cylinders for spraying workers claim; leading to workers consuming alcohol to alleviate the pain. • Once a year, spray workers are given goggles, mask, apron and boots that only last 2 to 3 months. Workers claim they end up replacing these themselves. • Workers allege they don't receive proper size of sandals to conduct work and end up buying it themselves. • Workers allege that the safety equipment comes out during audits only and then disappear. <p><u>Wages</u></p> <ul style="list-style-type: none"> • Workers stated lack of clarity about deductions in their gross pay. They do not understand, and no explanation is provided, how much is been deducted and why such deductions are being made. • Even if workers get their card punched for 12 days in a row, when wages are received they allege only 10 days paid, and 2 days wages deducted as absence. <p><u>Allocation of tasks</u></p> <ul style="list-style-type: none"> • Specialized workers claim they are asked to take on duties outside of their job activities like sweeping or dressing wounds.

	<ul style="list-style-type: none"> Workers allege that Line Chowkidars (<i>security man</i>) are used by staff to make tea and run errands, thereby not leaving them time to conduct their monitoring work on the housing line. Workers claim they conduct extra work due to Sardars' decision to hire two to five less workers than assigned to conduct a specific task, and pocketing the difference in wages.
Process to voice grievances	<ul style="list-style-type: none"> Request for house repairs and/or house extensions never receive a response workers claim. Workers are not aware how the process works beyond the concerns, name of requester and date being registered.
Respect and dignity	<ul style="list-style-type: none"> Workers don't feel respected as shareholders due to lack of continued communication about the program. Workers claim doctors don't examine nor touch them when they are in need of medical assistance. Prescriptions are provided without much attention and care. Sometimes the same medicine is given for a variety of ailments. Temporary workers feel they are treated as if they were of no importance. Workers claim water tanks used to carry water are also used for spraying pesticides. Workers allege verbal abuse by Sardars. Workers can feel scared to bring up issues with their managers for fear of being struck off job lists. Hindu workers get firewood to cremate their dead relatives. Christians used to get coffins, now they claim they don't. Both groups, Hindus and Christians, allege they do not receive water to bathe themselves after preparing the body for the funeral ceremony.
Communication gap between Management and workers	<ul style="list-style-type: none"> Workers don't seem to know how the company is doing and growing. They are also unaware or unclear about the larger implications of how the company's shares program (ESOP) can potentially create a unique opportunity for workers.

Concerns raised by company:

APPL expressed concern about not knowing from which plantations the complainants were emanating and about not knowing the names of the NGOs that filed the complaint on behalf of the workers. After obtaining permission from the NGOs, the names of the plantations were disclosed to APPL after CAO's first assessment visit. Citing security concerns, APPL at first had refused to meet with the NGOs until their identities were revealed. Eventually APPL agreed to attend the CAO-facilitated joint meeting with NGOs that did not disclose their identity until the time of the meeting on July 3rd 2013, in Guwahati.

The company indicated that from their perspective some of the issues that concern the workers are topical areas applicable to the entire Industry and cannot be directly addressed by a single corporation. These topical areas are decided by the Indian Tea Association in conjunction with all tea producers. Similarly, the company indicated that some issues are negotiated in a tri-partite forum between unions, government and the tea industry at the state level.

They believe that the model of the ESOP is innovative, and is looking to make a positive change in the gardens. They say that the percentage of total field workers that own company's shares (70%), and much lower in some estates, is evidence that this program is not mandatory and workers have a choice. APPL describes that the lowest rates of enrolment are in the three estates from where the complaints come from clearly indicating that workers are exercising choice.

Concerns raised by other stakeholders:

From the point of view of the students associations, another area of concern is the loss of opportunities and outlets for Adivasi culture among tea workers. The students stated that in the past, support and facilities were provided for workers' cultural practices, including dance, music and sport. The students are concerned that this, combined with workers' lack of time, will mean that these cultural practices may die out. However, they did express they want the plantations to remain open.

According to the Secretary of ABITA there can be no re-thinking about wages mid-year because they come out of negotiations between ABITA, the Unions and Government every three years. Moreover, ABITA expressed that the lag in development among the workers stems from social exclusion over generations. Now that they have their basic needs met, they also have greater aspirations. On the Secretary's view this is a positive development. However, ABITA believes there is need for Adult Education in order to improve the quality of life. Specifically to improve:

- work ethic
- hygiene
- sanitation
- habits such as water boiling and filtering
- saving and thrift

After CAO's first assessment visit in April 2013 allegations of retaliation were brought to CAO's attention. CAO offered to both the NGOs and the company an opportunity to discuss these allegations in a joint meeting with the possibility of agreeing to ground rules until the completion of the CAO assessment phase. In addition, this meeting allowed the company to understand better the nature of the concerns, and discuss the issues directly with the NGOs. The context and results of the Joint Meeting are described below.

Areas of Commonality

While the previous section summarizes the different perspectives of the stakeholder groups, there are also several areas of commonality which are outlined below:

All of the parties that CAO team engaged with recognize the Plantation Labor Act, and view it as the legal basis for the standards that must be maintained at any plantation. There is a shared interest in ensuring that the Plantation Labor Act is complied with and forms the basis of any discussion around labor conditions in APPL's plantations.

There is mutual agreement between the Company and the workers that met with CAO that a grievance mechanism process is in place at APPL, which registers complaints and is meant to respond to them. However, there is also agreement that there is space for improvement in regards the grievance procedures and how it handles complaints and communicates back to its users. The different parties acknowledge the benefit and importance of having a working and predictable grievance mechanism.

Finally, the parties agreed that communication is a cornerstone to their relationship, and that new and better ways can be found to improve the communication between them. Particularly around the ESOP model, workers and APPL expressed interest in improving communication and follow-up activities. Acknowledging that this model is a new way of thinking for workers,

and acknowledging that informational meetings did take place in the early phases of the model, they also saw a potential need to continue to follow up, accompany and communicate with workers so that they are better informed on how the model is working, what the shares mean for them individually, and what actions, if any, they need to take to take full advantage of the model for the sustainable future.

Allegations of Retaliation and Ground Rules for Assessment

After CAO's first assessment visit, the NGOs reported what they perceived to be retaliatory actions by APPL plantation management on tea workers who had participated in meetings with the NGOs to discuss the CAO process and the assessment. CAO brought these allegations to the attention of the IFC, and directly with APPL management, who had a different perspective on the situation.

The allegations of retaliation reported by NGOs and also expressed by a number of workers at meetings with the CAO are summarized below. This summary is a reflection of what was heard by the CAO team, and does not comprise a judgment by CAO on the merits of these allegations.

- Workers were called by management and heavily questioned about the nature, organizers, and participants of the meetings.
- Workers were harassed for allowing the meetings to take place, and not reporting them to management.
- Workers were demoted or abruptly switched to different and unfamiliar jobs or their work quota was summarily increased.
- Workers were intimidated by rumors that their actions would bring about the shutdown of the plantations and loss of jobs.

In the wake of these allegations, it became clear that in order for the assessment to be completed these allegations would need to be addressed. CAO therefore offered to convene a joint meeting between the NGOs and APPL in order to discuss and possibly agree on ground rules for the interaction between NGOs, workers, and APPL that would allow the CAO assessment to be completed.

The IFC was also notified by CAO about the allegations of retaliation against workers. The IFC committed itself to ensuring that the estates where issues were raised would be included during the IFC's next supervision visit, and that the IFC team would engage with the concerned workers, trade union representatives, local management as well as other relevant stakeholders.

The three local NGOs and APPL management agreed to participate in the joint meeting, which was convened and facilitated by CAO on July 3, 2013. At the meeting, both groups were able to talk about the nature of the allegations, and agreed in principle, on several ground rules that might allow the assessment to move forward. The meeting also allowed both groups to discuss for the first time, the nature of the issues in the complaint. With the assistance of breaks, caucuses and consultations with their own organization and supporters, the NGOs and APPL management produced a set of agreements that had only one item of disagreement.

In broad terms, the NGOs and APPL management agreed that (1) the three local NGOs were free to continue their day-to-day meetings and activities in the three gardens and have free access to the employees, (2) APPL senior management would inform plantation managers that APPL was aware and accepting of workers engaging with the NGOs to complete the CAO assessment, and (3) if incidents of retaliation occurred, the four representatives of the NGOs would have direct access to an APPL senior manager to raise the matter and see to it being addressed.

The one issue of disagreement involved structured and scheduled meetings inside the tea gardens with the employees regarding the CAO process. The company requested it be notified when structured meetings took place, either directly through the NGOs or through the CAO. However, the NGOs felt this was an undue limitation on their access to and activities with their communities, and a violation of workers' constitutional right. During the month of July, further discussion took place about the specific language of each one of these points and both groups were getting closer to reaching an agreement.

However, as this discussion was taking place, the company became aware that Accountability Counsel and Nazdeek released and distributed a July 5th media press release regarding the CAO process. From the company's perspective, the press release was drafted to have a negative impact on the Tata Group, and did not mention APPL at all, despite the company's interactions with the three local NGOs. Moreover, the Company believed this type of media engagement was not in line with the good faith that they expected for continued engagement between the NGOs and the Company. The Company expressed that given this type of media statement, and the fact that they were made by two organizations that were unknown to the Company and were not part of the joint meeting, and with whom the Company has never directly communicated, the Company no longer felt it was in their best interest to continue the engagement with the NGOs. Once the coalition of workers, local NGOs and partner civil society organizations learned of APPL's concerns regarding the press release, they made collective attempts to meet directly with the Company to address these concerns and explain different aspects of the press release as it was the desire of the workers to move forward with a CAO dispute resolution process supported and accompanied by the NGOs. The Company, however, continued to express interest and willingness to meet directly with the workers themselves to address their concerns through a CAO dispute resolution process without NGOs participation.

4. NEXT STEPS

As a result of the above mentioned factors, APPL does not believe the conditions are right for a collaborative dispute resolution process to meet their interests at this time, despite their interest in meeting with workers to address their concerns. They expressed a desire to address many of the issues raised in the complaint and recognized it is in their interest to address these matters directly with their workers, whether through a CAO facilitated dispute resolution process or another mechanism. To the extent relevant, CAO encourages the company and the workers to seek ways to participate in a dialogue with a third party neutral that would allow them to have facilitated discussions about their needs and interests with the purpose of addressing issues of mutual concern.

As CAO expressed to the NGOs and APPL that if it was not possible to reach agreement on ground rules for the assessment to be finalized, CAO would close the assessment and the complaint will be handled by CAO Compliance. Moreover, the parties were unable to agree on the role of local NGOs and their broader networks in considering a dispute resolution process moving forward. In November 2013, in accordance with the CAO's Operational Guidelines, the CAO concluded its assessment phase in the case and triggered CAO's Compliance function to conduct an appraisal of the complaint, and determine whether a compliance investigation of IFC's social and environmental due diligence in relation to this project is merited.

Annex A. Schedule of meetings and site visits in India

Date	Participants	Location
4/4/13	APPL and CAO	Kolkotta, India
4/4/13	Ethical Tea Partnership, Verde and CAO	Kolkotta, India
4/5/13	APPL and CAO	Assam, India
4/5/13	APPL and CAO – visit Kellyden Estate	Assam, India
4/6/13	APPL and CAO – meeting with workers, staff and visits to the tea plantations, medical and school facilities, and lines	Assam, India
4/6/13	NGOs and CAO	Assam, India
4/7/13	Tea workers from Naharoni and CAO	Assam, India
4/7/13	Tea workers from Hattigor and CAO	Assam, India
4/8/13	CAO team work on assessment report	Assam, India
4/9/13	APPL and CAO	Assam, India
4/9/13	Secretary of the Assam Branch India Tea Association and CAO	Assam, India
6/29/13	Labor Unions from the three plantations and CAO	Assam, India
6/29/13	NGOs-PAD, PAJHRA, DBSS, Nasdeek & Accountability Counsel	Assam, India
6/30/13	Tea workers from Naharoni and CAO	Assam, India
6/30/13	Student Associations and CAO	Assam, India
6/30/13	Tea workers from Hattigor and Majuli, and CAO	Assam, India
7/1/13	NGOs and CAO – visit Naharoni estate	Assam, India
7/2/13	APPL and CAO	Assam, India
7/3/13	CAO Joint Meeting between APPL and NGOs	Assam, India

Annex B. CAO Complaints Handling Process

The Office of the Compliance Advisor Ombudsman (CAO) is the independent recourse mechanism for the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA) of the World Bank Group. CAO reports directly to the President of the World Bank Group, and its mandate is to assist in addressing complaints from people affected by IFC/MIGA supported projects in a manner that is fair, objective, and constructive and to enhance the social and environmental outcomes of those projects.

The initial assessment is conducted by CAO's Dispute Resolution function. The purpose of CAO's assessment is to: (1) clarify the issues and concerns raised by the complainant(s); (2) gather information on how other stakeholders see the situation; and (3) help stakeholders understand the recourse options available to them and determine whether they would like to pursue a collaborative solution through CAO's Dispute Resolution function, or whether the case should be reviewed by CAO's Compliance function.

This document is a preliminary record of the views heard by the CAO team, and explanations of next steps depending on whether the parties choose to pursue a Dispute Resolution process or prefer a CAO Compliance process. *This report does not make any judgment on the merits of the complaint.*

As per CAO's Operational Guidelines,² the following steps are typically followed in response to a complaint that is received:

Step 1: **Acknowledgement** of receipt of the complaint

Step 2: **Eligibility:** Determination of the complaint's eligibility for assessment under the mandate of the CAO (no more than 15 working days)

Step 3: **CAO assessment:** "Assessment of the issues and provide 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 120 working days."

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 or initiated by a Memorandum of Understanding and/or a 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 goal. 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 affected³.

OR

² For more details on the role and work of CAO, please refer to the full Operational Guidelines: http://www.cao-ombudsman.org/documents/CAOOperationalGuidelines_2013.pdf

³ Where stakeholders are unable to resolve the issues through a collaborative process within an agreed time frame, CAO Dispute Resolution will first seek to assist the stakeholders in breaking through impasse(s). If this is not possible, the Dispute Resolution team will inform the stakeholders, including IFC/MIGA staff, the President and Board of the World Bank Group, and the public, that CAO Dispute Resolution has closed the complaint and transferred it to CAO Compliance for appraisal.

Compliance Appraisal/Investigation: If the parties opt for a Compliance process, CAO's Compliance function will initiate an appraisal of IFC's/MIGA's environmental and social due diligence of the project in question to determine whether a compliance investigation of IFC's/MIGA's performance related to the project is merited. The appraisal time can take up to a maximum of 45 working days. If an investigation is found to be merited, CAO Compliance will conduct an in-depth investigation into IFC's/MIGA's performance. An investigation report with any identified non-compliances will be made public, along with IFC's/MIGA's response.

Step 5: **Monitoring** and follow-up

Step 6: **Conclusion/Case closure**