

This Draft Policy was prepared for public consultation purposes and remains subject to the approval of the IFC and MIGA Boards of Directors. Accordingly, this draft remains subject to change following further review and comments from the Boards.

**IFC/MIGA INDEPENDENT ACCOUNTABILITY MECHANISM POLICY
FOR THE OFFICE OF THE COMPLIANCE ADVISOR OMBUDSMAN (CAO):
CONSULTATION DRAFT**

I. BACKGROUND

As members of the World Bank Group, IFC and MIGA believe that an important component of achieving positive development outcomes is the environmental and social sustainability of IFC and MIGA-supported business activities. IFC and MIGA pursue environmental and social sustainability by applying their respective Policy on Environmental and Social Sustainability and a comprehensive set of environmental and social Performance Standards.

To enhance IFC's and MIGA's accountability to Project-affected people, the Office of the Compliance Advisor Ombudsman (CAO) was established in 1999. CAO's mandate is to address complaints related to IFC and MIGA Projects and to enhance environmental and social outcomes of Projects in which those institutions play a role.

CAO was established with a direct reporting line to the President and is independent of Management. The CAO Operational Guidelines were issued in 2000 and updated in 2004, 2007, and 2013 following external reviews initiated by CAO. Following the 2019 *External Review on IFC and MIGA Environmental and Social Accountability, Including the CAO's Role and Effectiveness*, the IFC and MIGA Boards of Directors approved the IFC/MIGA Independent Accountability Mechanism Policy. This Policy, which supersedes and replaces in its entirety the CAO Operational Guidelines and CAO Terms of Reference, outlines CAO's purpose, mandate and functions, core principles, governance, and operating procedures. Upon the adoption of this Policy, CAO will report to the Boards.

II. PURPOSE

CAO's purpose is to facilitate the resolution of complaints related to Projects and Sub-Projects, oversee investigations of IFC's and MIGA's environmental and social compliance to foster public accountability for their commitments and enhance the environmental and social performance of IFC and MIGA.

In executing its mandate, CAO facilitates access to remedy for Project-affected people in a manner that is consistent with those international principles related to business and human rights included within the Sustainability Framework. For this purpose, "access to remedy" is understood to be the process of addressing grievances and harm stemming from a Project or a Sub-Project consistent with the broader remedy framework for grievances under the Sustainability Framework, which includes Project-level grievance mechanisms, operational grievance response systems within IFC and MIGA, and CAO.

Accountability at IFC and MIGA is an institution-wide effort, incorporating multiple and interconnected roles and responsibilities for CAO, the Boards, and Management. IFC and MIGA's role is to support effective and efficient execution of the CAO's mandate pursuant to this Policy and to be accountable to the Boards. With this Policy, the Boards affirm CAO's mandate, its independence (as described in the core principles below), and

its integrity. The Boards have the authority to interpret this Policy and will oversee its implementation.

III. MANDATE AND FUNCTIONS

As the independent recourse and accountability mechanism of IFC and MIGA, CAO's mandate is to:

- Facilitate the resolution of Complaints from people who may be affected by Projects or Sub-Projects in a manner that is fair, objective, and constructive;
- Enhance the environmental and social outcomes of Projects in which those institutions play a role; and
- Foster public accountability and learning to enhance the environmental and social performance of IFC and MIGA and reduce the risk of harm to people and the environment.

CAO operates through three complementary functions, which all contribute to delivering on this mandate:

- **Dispute resolution function:** CAO helps resolve issues raised about the environmental and/or social impacts of Projects and/or Sub-Projects through a neutral, collaborative, problem-solving approach and contributes to improved outcomes on the ground.
- **Compliance function:** CAO carries out reviews of IFC/MIGA compliance with the E&S Policies, assesses related Harm, and recommends remedial actions where appropriate.
- **Advisory function:** CAO provides advice to IFC and MIGA and the Boards with the purpose of improving IFC's/MIGA's systemic performance on environmental and social sustainability and reducing the risk of harm .

CAO has no authority with respect to judicial processes. CAO is not a judicial or legal enforcement mechanism, nor is CAO a substitute for courts or regulatory processes, and CAO's analyses, conclusions, and reports are not intended to be used in judicial or regulatory proceedings or for purposes of attributing fault or liability.

IV. CORE PRINCIPLES

CAO carries out its work guided by the following core principles:

- i. **Independence and impartiality:** Independence and impartiality are prerequisites to encourage stakeholders' trust and confidence in CAO. CAO is not identified with or beholden to any sector or interest and operates independently of Management, reporting directly to the Boards. This principle enables CAO to conduct its work without undue influence and ensure the staff's fair and objective conduct. CAO also maintains its independence and impartiality by making provisions to avoid conflicts of interest.
- ii. **Transparency:** Making every effort to keep Parties informed about processes and the progress of a complaint, and ensuring transparency and disclosure of CAO reports, including findings and outcomes.
- iii. **Accessibility:** Being accessible and available to all stakeholders, mitigating barriers of access and

promoting safe access through confidentiality and reprisal risk provisions, providing a process responsive to gender and disabilities, and communicating effectively with stakeholders to enhance their understanding of CAO.

- iv. **Responsiveness:** Being flexible, timely, and solutions-driven while considering disparities in power and resources between Parties.
- v. **Fairness & Equitability:** Carry out CAO processes so that all relevant stakeholders have the ability to participate and be heard; have reasonable access to information, advice, and expertise; and are treated respectfully on fair, equitable, and informed terms.
- vi. **Predictability:** Offering clear and consistent processes and procedures with relevant timeframes.
- vii. **Consistency with good practice:** Following international good practice standards consistent with this Policy.
- viii. **Continuous learning:** Consistently enhance CAO's effectiveness based on feedback from stakeholders and foster systemic improvements in IFC's/MIGA's environmental and social performance and reduce the risk of harm to people and the environment.

V. GOVERNANCE

A. Director General, Office of the Compliance Advisor Ombudsman (CAO DG)

1. Roles and responsibilities

CAO is based in Washington, D.C., at IFC headquarters and led by the CAO DG. The CAO DG reports to the Boards under the oversight of the Committee on Development Effectiveness (CODE). The CAO DG is responsible for the implementation of this Policy, managing CAO operations, and making decisions pursuant to this Policy. The CAO DG is directly accountable to the Boards and is not part of, and does not report to, Management.

2. Pre-employment conditions

To preserve CAO's independence, credibility, and integrity, candidates for the CAO DG position shall be external to the World Bank Group. CAO staff members may apply to the CAO DG position. Executive Directors, Alternates, Advisors, and staff (other than staff of CAO) may not be a candidate for the CAO DG position or serve as CAO DG.

3. Experience and credentials

The CAO DG will be a person of impeccable integrity and credibility, strong interpersonal skills, empathy, sound judgment, and a proven record of respected international leadership. S/he must demonstrate a set of core competencies, which include understanding or experience with: a broad range of civil society, including marginalized and vulnerable groups; the social, environmental, legal, or economic development fields; dispute resolution practices, including mediation and dialogue; compliance investigations/audits; the private sector business environment and financial products, especially frontier markets and developing countries; and institutional oversight,

recourse and accountability functions, including grievance mechanisms.

4. **Selection process**

To maintain the independence of the CAO DG, a selection committee will be established to conduct an independent, transparent, and participatory selection process that involves stakeholders from diverse regional, sectoral, and cultural backgrounds, including civil society and business communities. CAO, IFC, and MIGA will solicit nominations for the selection committee from stakeholders and forward them to the CODE Chair and Vice-Chair for their consideration. The CODE Chair and Vice-Chair will appoint six people to form the selection committee, including two Executive Directors, two senior representatives from the global business community, and two senior representatives from the civil society community. World Bank Group Human Resources will provide administrative support to the selection committee, including identifying and engaging a reputable and recognized recruitment firm but shall not provide any view or advice on any candidate. The selection committee will review applications, determine a shortlist, and conduct interviews with shortlisted candidates.

The selection committee will establish a process for receiving formal input from CAO, Management, and the CODE Chair and Vice-Chair, including the conduct of interviews with shortlisted candidates. CAO and Management may be invited to interview shortlisted candidates.

The selection committee will recommend the finalist candidate(s) to the President, with ranking if needed, for further consideration. The President will select the final candidate and/or may request additional information. World Bank Group Human Resources will ascertain the candidate's interest and availability and conduct necessary reference checks. Following further consultation with the selection committee as necessary, the President will put forward the nomination to the Boards for their decision.

5. **Term and renewal**

Following the selection process, the Boards shall nominate the CAO DG to be appointed for a five-year term based in Washington, D.C. The CAO DG's term may be extended for one additional five-year term, following the recommendation of CODE and approval of the Boards. The CAO DG will inform the Boards in writing of his/her interest to seek a second term. If so, the President will consult the Boards in an executive session, following which a recommendation will be made to the Boards for approval. If the CAO DG does not seek renewal, or if the renewal is not approved, the vacancy will be advertised, and the selection process initiated. Upon termination of the appointment, the CAO DG is restricted for life from obtaining employment with the World Bank Group following his/her appointment as CAO DG.

6. **Immunities and compensation**

The CAO DG is a full-time employee at the level of Vice President. S/he is subject to the World Bank Group Staff Rules. The Boards will review and determine the compensation package to be offered to the CAO DG (including standard benefits available to IFC and MIGA fixed-term staff) upon the President's recommendation. The performance review of the CAO DG is managed under the oversight of CODE with the advice of the Vice President, World Bank

Group Human Resources. The CAO DG does not receive a performance rating and is not entitled to performance-based compensation. The same annual salary adjustment that the Boards approve for vice presidents will apply to the CAO DG's salary unless the Boards decide otherwise.

7. Removal

The CAO DG may be removed from office only by a decision by the Boards, for cause, as determined by the Boards on the recommendation of CODE. Any decision to remove him/her for cause is subject to the Boards' approval. The Boards make this decision based on a report prepared by CODE that the President transmits to the Boards. In the transmittal document, the President may express his/her disagreement with the course of action recommended by CODE. A decision taken by the Boards for the removal of the CAO DG shall be an administrative decision, subject to recourse directly before the World Bank Group Administrative Tribunal pursuant to the Appeals Procedures and Rules of Procedure.

B. Budget

The Boards shall give CAO such budgetary resources sufficient to carry out its activities. The CAO DG shall prepare an annual itemized budget identifying a sufficient level of resources to ensure that CAO can carry out all of the roles, responsibilities, and activities set out in this Policy in an effective way. The CAO DG will be responsible for determining the allocation of resources within CAO, including appropriate staffing and recruitment of consultants and experts. The CAO DG shall submit its annual budgetary requirements for consideration to CODE and the Budget Committee and approval by the Boards.

C. Staffing

The CAO DG manages CAO staff and consultants to whom applicable World Bank Group Human Resources policies and procedures apply. CAO staff are considered staff of the World Bank Group for all purposes, including with respect to immunities and privileges. The CAO DG is free to make staffing decisions within the approved budget limits, without the Boards' or Management's involvement. Contracts for CAO staff restrict staff at the specialist and above levels from obtaining employment with IFC or MIGA for two years after they end their engagement with CAO. The credibility of CAO staff and consultants under its employ is critical to CAO's work. If a CAO staff or consultant has a conflict of interest about a particular case, that person will withdraw from involvement in that case. In exceptional circumstances, contractual arrangements for CAO consultants may impose time-bound restrictions on their future involvement with IFC or MIGA. CAO staff and consultants are subject to World Bank Group Staff Rules.

D. Accountability and Reporting

CAO is accountable to and reports directly to the Boards.

CAO informs the Boards and provides regular updates to CODE of its activities, case reports, advisory work, and annual reports, which are all publicly available. Although CAO reports to the Boards, CAO communicates with the President as relevant or requested.

VI. ACCESS TO INFORMATION AND DISCLOSURE

A. Access to Information

IFC/MIGA will co-operate to provide CAO with full access to Project-related information held by IFC/MIGA, including access to IFC/MIGA staff, consultants, and files (including electronic and hard copy files), as the CAO DG reasonably considers relevant for carrying out CAO's role under this Policy.

Financing or advisory agreements, and contracts of guarantee between IFC/MIGA and Clients will include obligations for the Clients to permit CAO to (i) have access to the Clients' records relating to the Project and in the case of financial intermediary (FI) Clients, such FI Clients' records relating to relevant Sub-Clients and relevant Sub-Projects, and (ii) visit and inspect the Project for the purpose of carrying out CAO's role under this Policy, upon reasonable prior notice to the Clients, and subject to any applicable laws and regulations.

B. Disclosure

In carrying out its work, the CAO will apply a presumption in favor of disclosure of environmental and social information, and at the same time, maintain the confidentiality of sensitive commercial information.

CAO is covered by the IFC/MIGA Access to Information Policy. Accordingly, CAO may disclose information gathered during its activities, subject to the AIPs and other applicable requirements. If necessary and unavailable through other sources, a CAO report may, subject to the escalation procedure below, include in a report a summary of relevant non-public environmental or social information following consultation with Management.

Any issue of access or disclosure should be discussed between the CAO DG and the Management with a view to resolution. If the issue is not resolved, including whether any information is confidential and whether and how it can be disclosed or protected, it will be referred for discussion amongst the IFC/MIGA General Counsel (in his/her institutional capacity), CODE Chair and Vice-Chair, CAO DG, and Management.

VII. RESPONDING TO COMPLAINTS

A. Lodging a Complaint

1. Who may lodge a complaint

Any individual or group, or representative they authorize to act on their behalf, who believes they are or may be harmed by a Project or Sub-Project may lodge a complaint with CAO.

2. How to lodge a complaint

Complaints should be submitted in writing and may be presented in any language. Complaints should be sent or delivered to the office of the CAO in Washington, D.C., and may be submitted electronically. CAO will provide confidentiality upon receiving a complaint if requested to do so by the Complainant.

3. What to include in a complaint

Complaints may relate to environmental and social harm regarding any aspect of the planning, implementation, or impact of a Project or Sub-Project. While Complainants are encouraged to provide as much of the information requested as possible to facilitate CAO understanding of the complaint, lack of information will not prevent CAO from reviewing a complaint.

There are no formal requirements for lodging a complaint with CAO, but complaints should include the following information:

- a) The Complainant's name(s), address, and other contact information.
- b) If the party lodging the complaint is doing so on behalf of a Project-affected person(s), such party must identify on whose behalf the complaint is made. Such party must also present evidence that it has been requested to present the complaint on behalf of the Project-affected person(s).
- c) If the Complainant wishes that CAO keep their identity or any information communicated as part of the complaint confidential, and the reasons for this request.
- d) The identity and nature of the Project or Sub-Project.
- e) A statement of how the Complainant believes they have been, or are likely to be, harmed by the Project or Sub-Project.

In addition, the Complainant may wish to provide information on the following:

- f) Whether anything has been done by the Complainant to attempt to resolve the problem, including any contact with IFC/MIGA staff, the Client, Sub-Client, or the host government, and what aspects remain unresolved.
- g) How the Complainant thinks the noncompliance with E&S Policies may have occurred, without the need to specify particular policies, guidelines, or procedures.
- h) A clear statement of results that the Complainant views as the most desirable outcome of the process.
- i) Any other relevant facts, with supporting documents or other relevant materials attached.

On request, CAO will provide guidance on how to lodge a complaint without providing advice regarding the substance of the complaint. The CAO website includes a model complaint letter. Potential complainants may also contact CAO for clarification before lodging a complaint.

B. Screening a Complaint for Eligibility

1. Eligibility criteria and considerations

The first step that CAO takes after receiving a complaint is to acknowledge receipt of the complaint. After the acknowledgment, CAO will screen the complaint against its eligibility criteria. If the complaint is not clear, CAO will seek additional information or clarification from

the Complainant. If CAO decides to reject the complaint on the basis of its eligibility criteria, CAO will close the file on the complaint and inform the Complainant in writing of this decision. CAO's eligibility decision does not constitute a judgment on the merits of the complaint.

CAO will deem the complaint eligible if:

- a) The complaint relates to an active Project;
- b) The issues raised in the complaint pertain to CAO's mandate to address environmental and social impacts of Projects; and
- c) The Complainant is or may be affected by the harm raised in the complaint.

Complainants and Clients/Sub-Clients are encouraged to make good faith efforts to resolve concerns in the most effective and efficient manner, at the project level where possible. Within the scope of their respective mandates, CAO, IFC, and MIGA are committed to facilitating the early resolution of complaints.

CAO will establish whether (i) good faith efforts have been made by the Complainants with IFC/MIGA and/or the Client or Sub-Client to address the issues raised in the complaint or (ii) such efforts were not undertaken and why. In the event CAO determines that the Complainant has not made any good faith efforts with IFC/MIGA or the Client or Sub-Client, CAO will establish whether the Complainant wishes to refer the complaint to IFC/MIGA or the Client or Sub-Client. In the event the Complainant does, CAO will refer such complaint to IFC/MIGA and/or the Client or Sub-Client. In the event no such good faith efforts were made, and the Complainant still wishes to pursue a complaint with CAO, CAO will consider the complaint in terms of its eligibility criteria and will record the fact that no good faith efforts were made.

2. Additional eligibility criteria for specific complaint types

Additional eligibility criteria will apply to the following types of complaints:

- a) For complaints pertaining to FI Projects, whether: (i) the complaint pertains to a Sub-Project within the scope of the financial product being offered to an FI by IFC or guaranteed by MIGA under the applicable financing agreement or contract of guarantee (e.g., if IFC is providing equity or financial support of a general-purpose or MIGA is providing a non-commercial risk guarantee in relation to an investment in the FI, or the Sub-Project is within any ringfence that IFC contractually established with the FI or that MIGA contractually established with its guarantee holder); (ii) there is a material link between the FI Client and its active Sub-Client that is the subject of the complaint (considering factors including the nature of the financing, the share, type, and tenor of the FI investment/debt exposure to the Sub-Project); and (iii) there are indications of a plausible link to harm or risk of harm related to the Sub-Project.
- b) For complaints pertaining to "primary suppliers," whether: (i) the complaint pertains to the supplier's activities and impacts directly related to its role in supplying the Client/Sub-Client, and (ii) the activities and impacts in question are linked to the

Client's E&S responsibilities.

c) Complaints relating to subcontractors of the primary supplier (as such term is understood under the Sustainability Framework) will only be eligible to the extent they meet the two conditions set forth in (b) above, and, in addition, the Client/Sub-Client had a responsibility to ensure that its primary suppliers managed the subcontractor's environmental and social risks raised in the complaint.

d) Complainants are permitted to refile a previously ineligible complaint where they present new information.

3. Exclusions

CAO shall deem the following complaints ineligible:

a) Complaints that are clearly fraudulent, frivolous, malicious, or generated to gain competitive advantage;

b) Allegations of fraud and/or corruption. CAO will refer these allegations to the World Bank Group Integrity Vice Presidency (INT);

c) Complaints relating to an International Bank for Reconstruction and Development/International Development Association (IBRD/IDA) project. CAO will refer these complaints to the World Bank Independent Accountability Mechanism;

d) Complaints relating exclusively to IFC/MIGA procurement decisions. CAO will refer these complaints to IFC/MIGA;

e) Complaints related to Projects which are pending Board approval, or Projects where IFC/MIGA Exit has occurred (see Complaints received after IFC/MIGA Exit below);

f) Complaints that focus exclusively on global impacts of a global public good. CAO will refer these Complaints to IFC/MIGA;

g) Employment contract-related complaints (e.g., complaints relating to payments and benefits) from an individual where there is no reason to believe that the issues raised are systemic in nature. CAO will refer ineligible employment contract-related complaints to IFC/MIGA; and

h) Complaints that are the same in all material respects as a complaint that has previously been deemed eligible or ineligible by CAO.

When CAO refers a complaint to Management or another mechanism, CAO will seek the prior consent of the Complainant to ensure that no confidential information is shared.

4. Timeline for eligibility decisions

Eligibility screening and determination will take no more than 15 Business Days from the CAO's acknowledgment of receipt of the complaint. However, it may be necessary for CAO to extend

this timeframe where CAO needs to receive clarification from the Complainants or from IFC/MIGA to make an eligibility determination, in which case CAO will notify the Complainants.

5. Complaints registry

CAO will publish a complaints registry on its website. The registry will contain the following information in relation to eligible complaints:

- a) a brief summary of the issues raised in the complaint;
- b) date of receipt;
- c) the name, sector, and location (country or countries) of the Project and/or Sub-Project that is the subject of the complaint;
- d) information about IFC/MIGA's exposure to a Project that is derived from public information disclosed by IFC/MIGA;
- e) with regard to complex cases, succinct reasoning for the eligibility decision;
and
- f) information on the status of CAO's complaint handling process.

The Complaints registry will contain the following information in relation to ineligible complaints:

- a) the subject matter of the complaint (e.g., labor, resettlement, etc.);
- b) date of receipt;
- c) the location (country or countries) and sector of the Project or Sub-Project operates, but not the Client's or Sub-Client's identity; and
- d) the basis for the ineligibility determination (including succinct reasoning in complex cases).

CAO will not post the complaint itself at the eligibility stage, though, as noted above, a brief summary of eligible complaints will be posted.

6. Complaints received before Board approval of Project

If a complaint is received on a Project under active consideration by IFC/MIGA but not yet approved by the Board, CAO will deem the complaint ineligible. CAO will refer these complaints to the Board and Management.

CAO will disclose information about an ineligible pre-Board complaint following the provisions in paragraph 5 above.

7. Complaints received after IFC/MIGA Exit

In exceptional circumstances, CAO may deem eligible a complaint submitted up to 15 months after an IFC/MIGA Exit where: (1) there are compelling reasons why the complaint could not be made before the IFC/MIGA Exit; (2) all of CAO's other eligibility criteria are met; and (3) after consultation with Management, CAO considers that accepting the complaint would be consistent with CAO's mandate.

C. Assessment of the Complaint

1. Purpose of assessment

Once CAO determines a complaint eligible, it will conduct an assessment of the complaint to:

- a) develop a thorough understanding of the issues and concerns raised in the complaint;
- b) engage with the IFC/MIGA Project team,
- c) engage with the Complainant and the Client and, to the extent possible, Sub-Client;
- d) identify the local communities and any additional stakeholders relevant to the complaint;
- e) describe CAO's different functions, their scope, and possible outcomes to the Parties and other stakeholders;
- f) determine whether the Parties seek to initiate CAO's dispute resolution or compliance function; and
- g) consider the status of other grievance resolution efforts.

CAO's assessment of the complaint does not entail any judgment on the merits of the complaint.

2. Assessment process

- a) Assessment approach

In carrying out its assessment, CAO will give Complainants, Clients, Sub-Clients, and IFC/MIGA an opportunity to ask questions and consult with CAO staff to facilitate informed decision-making and understanding of CAO's mandate, services, and procedures. CAO will consider any Project-specific or relevant information provided by, or through, engaging with Complainants, Clients, Sub-Clients, IFC/MIGA, and other relevant stakeholders.

CAO will approach assessments in a flexible manner. CAO will typically conduct the following activities during its assessment of the complaint:

- Review IFC/MIGA Project or Sub-Project-related files.
- Meet with the Complainant, Client, Sub-Client, IFC/MIGA staff and, where

relevant, government officials of the country where the Project or Sub-Project is located, representatives of local and international civil society organizations, and other stakeholders.

- Visit Project and, to the extent possible, Sub-Project sites.
- Where necessary, hold public meetings in the Project or Sub-Project area.
- Where deemed necessary by the Parties, CAO will consider the relevance of judicial proceedings.

When planning a visit, CAO will notify IFC/MIGA, the Client, Sub-Client, Complainant, and other relevant stakeholders of its plans.

If the Parties consent, during the assessment process, they may engage directly with one another to resolve the issues raised in the complaint. Such engagement may take place without the direct involvement of CAO. CAO's assessment report will summarize the outcomes of such engagement. Where appropriate, and within the scope of their respective mandates and with the Parties' consent, IFC/MIGA may support the constructive resolution of issues related to the complaint. Where the complaint issues are resolved and subject to the Complainant's consent, CAO will issue an assessment and conclusion report to close the case.

b) Timeframe

CAO will complete the assessment within 90 Business Days of the date it determines a complaint to be eligible. The CAO DG may extend the assessment timeframe to 120 Business Days if after the 90 Business Day period: (i) the Parties confirm that resolution of the complaint is likely or; (ii) either Party expresses interest in dispute resolution, and there is potential that the other Party will agree. CAO will notify the Parties, IFC/MIGA, and the Board of the decision to extend the assessment, and CAO will post such decision on its website.

c) Staffing

CAO dispute resolution experts will carry out the assessment of a complaint.

d) IFC/MIGA role

In connection with any complaint, IFC/MIGA staff may engage with the Client/Sub-Client, other stakeholders, and CAO during the assessment process. IFC/MIGA may continue to support its Clients in their responsiveness to the issues raised in the complaint. To the extent possible, IFC/MIGA will inform CAO of such engagements with its Clients.

3. Outcomes of assessment

a) Parties' decision

During the assessment process, the Complainants and the Client and/or Sub-Client

decide whether they would like to initiate CAO's dispute resolution or compliance function. If both Parties agree to undertake dispute resolution, CAO will facilitate this process. If there is no agreement, the complaint will proceed to CAO's compliance function.

b) Assessment reports

At the conclusion of the assessment process, CAO will produce an assessment report that includes:

- A broad summary of the information gathered and the Parties' perspectives of the issues raised in the complaint during the assessment, including views from other stakeholders as deemed relevant;
- The decision of the Parties to pursue a dispute resolution process or if the complaint will proceed to the compliance function; and
- A copy of the complaint, redacted as required to protect the confidentiality of the Complainants, as well as any Client and/or Sub-Client response that may be provided.

CAO will provide a draft assessment report to the Parties and IFC/MIGA for factual review and comment at least 10 Business Days prior to publication. CAO will share the final assessment report with the Parties, Management, and the Board and will publish it on CAO's website.

VIII. DISPUTE RESOLUTION

A. Purpose

The purpose of CAO's dispute resolution function is to help resolve issues raised about the environmental and/or social impacts of the Projects or Sub-Projects through a neutral, collaborative, problem-solving approach and to contribute to improved outcomes on the ground.

B. Principles and Approach to Dispute Resolution

Engaging in a dispute resolution process is a voluntary decision and requires agreement between the Complainant and the Client and/or Sub-Client, at a minimum. As a nonjudicial, non-adversarial, neutral forum, CAO's dispute resolution approach provides a process through which Parties may find mutually satisfactory solutions to the issues raised in the complaint and any other significant issues identified during the assessment. CAO conducts the process in a manner acceptable to the Parties and treats all participants in a dispute resolution process fairly and equitably.

CAO seeks to work directly with the Project-affected people, recognizing that local communities, minorities, and vulnerable groups often have much to gain or lose from a Project or Sub-Project. CAO recognizes that these groups of people typically live with the impacts and benefits of the Project or Sub-Project and have an ongoing relationship with the Project or Sub-Project.

C. Approaches to Dispute Resolution

CAO, in consultation with the Parties, may use different approaches in attempting to find a resolution of the issues, including:

1. Mediation

Mediation involves the intervention by a neutral third party in a dispute or negotiation to assist the Parties in voluntarily reaching their own mutually satisfying resolution.

2. Facilitation and information sharing

In many cases, the complaint will raise questions regarding the current or anticipated impacts of a Project or Sub-Project. The CAO dispute resolution team may help the Parties obtain information or clarifications that result in resolution.

3. Joint fact-finding

Joint fact-finding is an approach that encourages the Parties to agree on the issues to be examined, the methods, resources, and people that will be used to conduct the examination, and the way that the Parties will use the information generated from the joint fact-finding process.

4. Dialogue and negotiation

Where communication among Parties has been limited or disrupted, the CAO dispute resolution team may encourage the Parties to engage directly in dialogue and negotiation to address and resolve the issues raised in the complaint. The CAO dispute resolution team may offer training and/or expertise to assist the Parties in this process.

D. Reaching and Documenting Agreements

Any agreement reached should be specific in terms of objective, nature, and requirements and, at the discretion of the Parties, documented in written form.

In pursuit of a resolution, CAO will not knowingly support agreements that would coerce one or more Parties, be contrary to IFC/MIGA policies, or violate the domestic laws applicable to the Parties or international law.

E. Monitoring Implementation of Agreement

Where the Parties have reached an agreement through the CAO dispute resolution process, CAO will monitor the implementation of the agreement. CAO will inform the Parties and IFC/MIGA when the case has formally moved to the monitoring phase. CAO will share interim updates with Management and will publish such updates on CAO's website every six months during the monitoring phase.

F. Outcomes and Conclusion of the Dispute Resolution

1. Full resolution

If the Parties reach an agreement and inform CAO that the agreed terms have been

implemented to the Parties' mutual satisfaction, CAO will conclude the dispute resolution process and close the case.

2. Partial agreement or absence of agreement

CAO will conclude the dispute resolution process if:

- a) one or more Parties wishes to exit at any point in the process;
- b) the Parties fail to reach an agreement;
- c) the Parties fail to implement the terms of an agreement; or
- d) the Parties reach a partial agreement but are unable to reach an agreement on other complaint issues.

Upon conclusion of the dispute resolution process with partial or no agreement, CAO will enquire whether the Complainant wishes to transfer the complaint to CAO's compliance function. CAO will transfer the complaint to the compliance function where one or more Complainant provides explicit consent or otherwise will close the case. In situations where CAO is aware of concerns regarding Threats and Reprisals, CAO may transfer the complaint to the compliance function without the need for a Complainant's explicit consent to protect the Complainant.

CAO will release a conclusion report that summarizes core process steps and outcomes and the rationale for concluding the dispute resolution process. The conclusion report will be circulated to the Parties, the Board, and Management and publicly disclosed on CAO's website.

G. Role of Mediators

In managing the dispute resolution process, CAO will determine the knowledge and skills required in each case and engage a mediator who:

- possesses the appropriate expertise;
- has the ability to understand the cultural context; and
- is considered acceptable as independent and impartial by the Parties.

CAO will include specific confidentiality requirements in mediator contracts in addition to the general confidentiality provisions provided by World Bank Group contracts.

H. IFC/MIGA Engagement in the Dispute Resolution Process

Where appropriate and agreed by the Parties, IFC/MIGA may be invited to participate in a CAO dispute resolution process. IFC/MIGA will consider its participation on a case-by-case basis.

IX. COMPLIANCE

A. Purpose

The purpose of the CAO compliance function is to carry out reviews of IFC/MIGA's compliance with E&S Policies, assess related Harm, and recommend remedial actions where appropriate.

CAO's compliance function does not evaluate the adequacy or suitability of E&S Policies and does not make findings in relation to compliance of a Project, Sub-Project, Client, or Sub-Client with the Performance Standards.

The CAO compliance function follows a three-step approach: 1) compliance appraisal, which determines whether further investigation is warranted. If warranted, the appraisal is followed by 2) compliance investigation and 3) compliance monitoring, as described below.

B. Compliance Appraisal Process

The purpose of the appraisal process is to determine whether a complaint or internal request merits a compliance investigation based on the criteria set out below.

1. Initiating a compliance appraisal

a) Compliance appraisal in response to a complaint

CAO will commence a compliance appraisal in response to a complaint transferred to the compliance function following a CAO assessment process or a CAO dispute resolution process.

b) Compliance appraisal in response to an internal request

CAO DG may initiate a compliance appraisal of one or more Projects or Sub-Projects in response to an internal request from the CAO DG, the President, the Board, or Management.

Such internal request may be made in circumstances where: (i) an appraisal is deemed necessary to review environmental and social compliance issues of systemic importance to IFC/MIGA; (ii) concerns exist regarding particularly severe Harm; or (iii) Project-affected people may be subject to, or fear, reprisals preventing them from lodging a complaint to CAO.

Requests initiated by the CAO DG, the President, the Board, or Management should include a written rationale for the compliance appraisal request.

For compliance appraisals of more than one Project or Sub-Project, CAO will consult with Management before commencing the appraisal.

2. Management and/or Client response

CAO will notify Management in writing of the transfer of a complaint to CAO's compliance function for appraisal. Management will have 10 Business Days to respond to the issues raised in the complaint or 21 Business Days from receiving the assessment report for factual review or dispute resolution conclusion report transferring a complaint to compliance, whichever is later.

In its response, IFC/MIGA will outline the steps IFC/MIGA and/or its Client have already taken, or intend to take, to facilitate compliance with relevant policies, procedures, and Project-level E&S requirements, to address the allegations of Harm raised in the complaint or internal request, and indicate whether a deferral is requested of any compliance investigation.

The Client may respond in writing to the issues raised in the complaint within the same timeframe above. CAO will take into account the IFC/MIGA and Client responses during the appraisal.

3. Scope of compliance appraisal

A compliance appraisal in response to a complaint will consider issues raised in the complaint or identified during the CAO assessment phase, but not those resolved during a CAO dispute resolution process.

A compliance appraisal in response to an internal request will consider issues raised in the request.

4. Appraisal approach

In preparing its appraisal report, CAO will review the complaint/internal request, Management and/or Client response, and any other documents that CAO may request and receive from the Complainant, Management, the Client, and other parties.

CAO will apply the following appraisal criteria in determining whether a compliance investigation is necessary:

- a) there are preliminary indications of Harm or potential Harm;
- b) there are preliminary indications that IFC/MIGA may not have complied with its E&S Policies; and
- c) the alleged Harm is plausibly linked to the potential non-compliance.

During a compliance appraisal, CAO will also consider the following:

- a) For any Project or Sub-Project where an IFC/MIGA Exit has occurred at the time CAO completes its compliance appraisal, whether an investigation would provide particular value in terms of accountability, learning, or remedial action despite an IFC/MIGA Exit.
- b) The relevance of any judicial or non-judicial proceeding regarding the subject matter of the complaint.
- c) Whether Management has clearly demonstrated that it dealt appropriately with the issues raised in the complaint and followed the required E&S Policies or whether Management acknowledged that it did not comply with relevant E&S Policies.
- d) Whether Management has provided a statement of specific remedial actions,

and whether, in CAO's judgment after considering the Complainant's view, these proposed remedial actions may substantively address the matters raised by the Complainant.

In relation to a Project or Sub-Project that has already been the subject of a compliance investigation, CAO may: (a) close the complaint; (b) merge the complaint with the earlier compliance process, if still open, and the complaint is related to substantially the same issues as the earlier compliance process; or (c) initiate a new compliance investigation only where the complaint raises new issues or new evidence is available.

The appraisal process does not lead to a definitive assessment of IFC/MIGA's compliance with its E&S Policies or related Harm. CAO may make these assessments only in the context of an investigation.

CAO should complete the compliance appraisal process within 45 Business Days of the transfer of the complaint to CAO's compliance function.

5. Appraisal decision

At the conclusion of the appraisal process, CAO will prepare an appraisal report stating its appraisal decision. When the appraisal outcome is a decision to investigate, CAO's appraisal report will also include terms of reference, indicating the scope of the compliance investigation.

The appraisal decision, including the decision to investigate, close, or defer, will be made at the discretion of the CAO DG, applying the criteria set out in this section.

6. Deferral of a decision to investigate

In specific cases that meet the criteria for a compliance investigation (paragraph 4 above) as well as the criteria below, the CAO DG may decide to defer the decision to investigate to allow IFC/MIGA, the Client, and the Complainants to resolve issues directly:

- a) The severity of Harms and potential compliance issues raised by the complaint, including whether the issues of alleged Harm are clearly defined, limited in scope, and appear to be amenable to early resolution;
- b) Whether the Management response includes specific commitments that are commensurate to the issues raised in the complaint or during the assessment, and consistent with IFC/MIGA policy requirements;
- c) The views of the Complainants as to the impact (positive and negative) of a decision to defer; and
- d) Other information deemed relevant by CAO.

In cases in which CAO decides to defer the decision to investigate, CAO should establish and make public as part of its appraisal report:

- a) CAO's analysis of the criteria for deferral as set out above;
- b) The conditions of the deferral as agreed by Management;
- c) A framework for monitoring during the deferral period, including a schedule for IFC/MIGA reporting on the progress made on commitments made by Management to address the issues raised by the Complainants; and
- d) A timeline for the deferral period, typically no longer than 6 months, including for CAO to issue a report on IFC/MIGA implementation of commitments in the Management response and whether these have addressed the issues raised in the complaint or during the assessment phase.

During the deferral period, if CAO assesses that the conditions have materially changed, or making progress is unlikely or unfeasible, CAO may end the deferral and commence a compliance investigation.

Upon the conclusion of the deferral period, CAO DG may decide to:

- a) close the case if the issues raised in the complaint have been substantially addressed and there is no particular value for accountability, learning, or remedial action from conducting an investigation;
- b) extend the deferral period if considerations above remain, and there is in CAO's analysis a high likelihood of the issues being resolved within a defined extension period; or
- c) proceed to a compliance investigation if issues have not been substantially addressed or if there is otherwise particular value for accountability, learning, or further remedial action.

In any case, CAO will issue, and circulate for information, a report to the Boards, the President, and Management summarizing the actions taken and outcomes of the deferral.

7. Circulation and disclosure of the appraisal report

Once CAO concludes an appraisal, it will circulate, for information, the appraisal report to the Board, the President, the Management, and the Client. In cases where CAO is responding to a complaint, CAO will also circulate the report to the Complainant.

At the same time, CAO will post a notice on its website stating that it has made the appraisal decision.

Following the circulation of the appraisal report and lapse of any period for Board review (see paragraph 8 below), CAO will publish the appraisal report. CAO will also publish the IFC/MIGA response, a response from the Client (if any), as well as IFC's/MIGA's request for Board review and the outcome of any Board review (if any).

8. Request for Board review of a decision to investigate

In exceptional cases, Management, represented by the Managing Director and Executive Vice President of IFC or the Executive Vice President of MIGA, may request the Board to review the CAO DG's decision to investigate. A review may only be requested following an appraisal report that results in a decision to investigate. It does not apply to the deferral process set out in paragraph 6 above.

Management will have 10 Business Days from the date of circulation of the appraisal report to request a Board review. The review request should be based on the technical criteria outlined below and not raise any issue that is within the discretion of the CAO DG. The request for review will be circulated to the Board for decision and to CAO and the President for information. Upon receipt of a review request, CAO will post a notice on its website stating that its decision to investigate is subject to the Board's review but will not publish the review request.

The Board will review the decision to investigate without making a judgment on the merits of the complaint and will not discuss matters that require the exercise of discretion by the CAO DG under this Policy. The Board will base its review solely on the following technical eligibility criteria:

- a) If complaint is transferred from dispute resolution, CAO enquired regarding the Complainant's intentions before initiating the transfer of the case to CAO's compliance function.
- b) The complaint or internal request asserts Harm or potential Harm that is plausibly linked to a Project or Sub-Project.
- c) CAO's compliance appraisal report includes consideration of whether E&S Policies might not have been adhered to by IFC/MIGA.
- d) CAO's compliance appraisal report includes consideration of the relevance of any judicial or non-judicial proceeding in relation to the subject matter of the complaint.
- e) In relation to a Project where an IFC/MIGA Exit has occurred, CAO's compliance appraisal report includes consideration of whether an investigation would provide value in terms of accountability, learning, or remedial action despite the IFC/MIGA Exit.
- f) If CAO has previously conducted a compliance investigation in relation to the Project or Sub-Project in question, CAO's compliance appraisal report refers to new issues or new circumstances not previously considered or raised in the complaint or CAO's assessment report.

The Board will have 10 Business Days to consider a decision to investigate in response to a request for review. During this period, the Board may decide to affirm or overturn the CAO DG's decision to investigate. The Board will not have any editorial input into the CAO compliance appraisal report.

If the Board does not make a decision within 10 Business Days, the CAO DG's decision will be affirmed unless the Board decides to extend such review for a determined period.

C. Compliance Investigation Process

1. Definitions and approach to compliance investigations

A compliance investigation determines whether IFC or MIGA has complied with its E&S Policies and whether there is Harm related to any IFC/MIGA non-compliance, following a systematic and objective process of obtaining and evaluating evidence. In determining whether IFC or MIGA has complied with its E&S Policies, CAO will include, where appropriate, an assessment of whether IFC/MIGA has deviated in a material way from relevant directives and procedures.

Where CAO finds non-compliance and related Harm, CAO makes recommendations for IFC/MIGA to consider when developing a Management Action Plan (MAP). Recommendations may relate to the remediation of Project or Sub-Project-level non-compliance and related Harm, and/or steps needed to prevent future non-compliance, as relevant in the circumstances.

A compliance investigation does not make non-compliance findings in relation to a Project or Sub-Project. However, in making findings regarding Harm and whether any Harm is related to IFC/MIGA non-compliance with its E&S Policies, CAO will assess IFC/MIGA's review and supervision of its E&S Requirements at the Project or Sub-Project level, and consider Project or Sub-Project -level environmental and social performance. Where relevant in accordance with applicable IFC/MIGA E&S Requirements that refer to national law, CAO will also consider how IFC/MIGA reviewed and supervised the Project's compliance with applicable national law.

CAO will base the compliance investigation on a review of documents, interviews, observation of activities and conditions, and other appropriate means.

CAO will not make findings and conclusions with the benefit of hindsight. Rather, CAO will assess whether there is evidence that IFC/MIGA applied relevant E&S Requirements considering the sources of information available at the time the decisions were made.

CAO follows a non-adversarial model. In undertaking analyses and making conclusions, CAO will systematically and objectively consider such facts, circumstances, information, and evidence as may be available to CAO from documents, interviews, statements, reports, correspondence, and other sources as CAO determines relevant. Sufficient, relevant evidence is required to afford a reasonable basis for CAO's compliance findings and conclusions.

2. Terms of reference for compliance investigations

CAO will publicly disclose terms of reference for the compliance investigation. The terms of reference will specify:

- a) the objectives and scope of the investigation;
- b) any limitations on the scope of the investigation that may be appropriate, considering, among others, issues closed at the appraisal stage, the presence of concurrent judicial proceedings, or an IFC/MIGA Exit;
- c) the approach and method of investigation, and specific consultant qualifications; and
- d) a schedule for the investigation tasks, timeframe, and reporting requirements. This schedule will include deadlines for the submission of information by IFC/MIGA to inform the compliance investigation process.

In preparing the terms of reference for any compliance investigation involving more than one Project, CAO will consult with IFC/MIGA.

3. Compliance investigation report

CAO will prepare the compliance investigation report, which will at a minimum include:

- a) the investigation findings with respect to compliance, non-compliance, and any related Harm.
- b) context, evidence, and reasoning to support CAO's findings, and conclusions regarding the underlying causes of any non-compliances identified.
- c) recommendations that IFC/MIGA to consider in the development of a MAP relating to the remediation of Project or Sub-Project -level non-compliance and related Harm, and/or steps needed to prevent future non-compliance, as relevant in the circumstances. In case of a Project where the IFC/MIGA Exit has occurred, recommendations will take into account the implications of such an IFC/MIGA Exit.

CAO will circulate a draft investigation report within one year of the disclosure of the appraisal report.

4. Factual review and comment

CAO will circulate the draft report to Management for factual review and comment. Management may share the draft report with the Client on the condition that appropriate measures are in place to safeguard the confidentiality of the draft report prior to disclosure.

IFC/MIGA will have 20 Business Days from the receipt of the draft report to provide written comments. IFC/MIGA may take into account feedback from the Client when preparing written comments.

CAO will provide Complainants with the opportunity to undertake factual review and comment on the draft investigation report concurrently with IFC/MIGA, on the condition that appropriate measures are in place to safeguard the confidentiality of the draft report prior to public disclosure.

At a minimum, the Complainants will be provided a draft table of findings for factual review and comment and as a basis for information to inform subsequent consultation on any MAP.

Upon completion of the factual review and comment phase, no new information or arguments will be introduced in relation to the CAO compliance process.

5. Finalizing an investigation report

After considering the comments from IFC/MIGA and the Complainants on the consultation draft, CAO will finalize the compliance investigation report.

The final investigation report will be submitted to Management and circulated to the Board for information. A notice will be posted on CAO's website informing the public that CAO has completed its compliance investigation.

6. Management response, action plans, and clearance for disclosure

Within 50 Business Days of receiving CAO's compliance investigation report and findings, Management will be required to submit a report (the "Management Report") to the Board for consideration, stating the actions proposed in response to CAO's findings.

The Management Report shall include, for Board approval, a Management Action Plan ("MAP"), comprising any time-bound remedial actions proposed by Management to address CAO's findings of non-compliance and related harm.

The Management Report should also include a reasoned response to CAO's findings or recommendations regarding non-compliance or related Harm that IFC/MIGA is unable to address in the MAP.

While the MAP is the responsibility of Management, Management may incorporate input from relevant parties.

During the preparation of the MAP, Management will be required to consult the Complainants and the Client. Any actions that require the cooperation of the Client will only be included if agreed with the Client prior to inclusion in the MAP.

CAO will submit comments on the proposed MAP to the Board at the same time that IFC/MIGA presents the MAP for approval.

To support institutional learning, IFC/MIGA may provide measures in the MAP to avoid recurrence of non-compliance and improve institutional performance in other projects.

The Board will not have any editorial input regarding the content of a compliance investigation report but may take the opportunity to discuss the investigation findings with CAO and Management.

Once the Board approves the MAP, CAO's investigation report, the Management Report, and

the MAP will be published on CAO's website.

D. Compliance Monitoring

1. Approach to monitoring

After the Board has approved a MAP, CAO will monitor the implementation of the MAP.

The scope of CAO's compliance monitoring will be the corrective actions approved as part of the MAP. Monitoring will verify the effective implementation of the actions set out in the MAP.

CAO Compliance monitoring will not consider non-compliance findings for which there is no corresponding corrective action in the MAP.

2. Reporting during monitoring

IFC/MIGA will be responsible for the supervision of the implementation of the MAP and should submit progress reports to the Board on the implementation of the MAP at such intervals as proposed by Management and approved by the Board. A progress report shall summarize the implementation status of the MAP in the period covered by the report, including actions completed, actions in ongoing implementation, and upcoming actions based on timelines included in the MAP. It also may include information on engagements undertaken during the reported period.

CAO will incorporate these reports in its annual public monitoring report.

As requested by the Board, CAO or Management, CAO and Management will provide a briefing on progress made in the implementation of remedial measures in MAPs, including Project or Sub-Project-level actions and IFC/MIGA systemic responses to CAO compliance findings.

The Board may consider options on how to strengthen the implementation of measures in the MAP, if necessary, and taking into account Management progress reports and CAO monitoring reports.

3. Closure of compliance investigations

CAO will close the compliance monitoring process if:

(i) CAO determines that substantive commitments as set out in the MAP have been effectively fulfilled; or

(ii) following engagement with Management and/or the Board, not all substantive commitments in the MAP have been effectively fulfilled, and CAO determines that there is no reasonable expectation of further action to address its Project or Sub-Project-level non-compliance findings.

In either case, CAO will prepare a final monitoring and closure report and circulate it for information to the Board, the President, and IFC/MIGA, before making it public.

X. ADVISORY

A. Purpose

CAO's advisory function provides advice to IFC/MIGA and the Boards with the purpose of improving IFC's/MIGA's systemic performance on environmental and social sustainability and reducing the risk of harm to people and the environment. CAO's advisory work provides insights and recommendations on broader environmental and social issues relevant to IFC's and MIGA's work by drawing on CAO experience addressing complaints and good international practice.

B. Approach

CAO's advisory function is guided by the following principles:

- CAO preserves its independence and impartiality by not giving advice on specific Projects.
- CAO provides advice on broader IFC/MIGA environmental and social policies, processes and approaches, guidance documents, strategic issues, trends, and systemic concerns.
- CAO advice draws from experience gained through its dispute resolution and compliance work.
- CAO seeks to carry out its advisory work in a collaborative manner with IFC/MIGA and other actors as appropriate.

C. Advisory Process

1. Requests for advice

In addition to CAO-initiated advisory work, the Board or Management can request CAO advice. CAO will review any request for advice to ensure it only undertakes advisory work consistent with its mandate and principles.

2. Developing advisory work

To enhance the impact of its advisory work, CAO will seek to identify ways of working collaboratively with IFC/MIGA and other actors as appropriate when developing advisory work while maintaining its independence. At a minimum, CAO informs IFC/MIGA when it initiates advisory work and when it responds to a request for advice and consults IFC/MIGA on the scope of advice and proposed process.

CAO delivers advisory work through various formats, including written reports, interactive tools, and in-person learning. CAO will not provide Project-specific advice.

3. Information disclosure

While CAO seeks to maximize disclosure of its advisory work, it may provide non-public advice to maximize uptake of advice on issues that are part of internal World Bank Group deliberative processes.

4. Monitoring and follow-up

CAO will systematically assess the impact of its advisory work as part of its monitoring and evaluation activities and include advisory work in its reporting to the Boards as part of its Management Action Tracking Record.

CAO will carry out periodic external reviews of its advisory work.

XI. THREATS AND REPRISALS

CAO, IFC, and MIGA take Threats and Reprisals against Complainants or any other persons involved in a CAO process or activity seriously and recognize that the concerns of any such persons for their and their families' safety and wellbeing can prevent them from submitting a complaint or otherwise engaging fully with CAO.

The following principles guide CAO in its approach to Threats and Reprisals:

1. Disputes should be resolved through non-violent and peaceful means that promote the dignity of people and respect the rights of all;
2. CAO should safeguard individual identities where requested, including keeping information confidential that could, directly or indirectly, reveal identities;
3. CAO should obtain the informed consent of the concerned person before taking action in relation to Threats and Reprisals, and any such action should be developed in a participatory manner; and
4. CAO should act with the intent that people are not be harmed due to cooperating in the CAO process or activities.

CAO is committed to taking the following steps to address concerns and risks arising from Threats and Reprisals related to its process or activities. CAO will: (a) regularly assess the risk context of any complaint throughout a CAO process or activity; (b) if requested by any person who raises concerns regarding Threats and Reprisals, work closely with the concerned person to identify preventive measures adapted to the specific circumstances, particularly where security concerns exist, and plan possible responses with the concerned person; and (c) if security threats or incidents occur or CAO becomes aware of such a threat in the context of a CAO process, CAO will make every effort to support the safety and wellbeing of any concerned person by following an appropriate course of action discussed and agreed upon with the concerned person.

While CAO will seek to fulfill its mandate under this Policy in a manner that maximizes its ability to respond appropriately to Threats and Reprisals, CAO is not an enforcement body or entity. It does not have the direct ability to physically protect or otherwise safeguard Complainants or any other concerned persons from the possible consequences of engaging in a CAO process or activity or cooperating with CAO.

CAO, IFC, and MIGA will coordinate, as appropriate and within the scope of their respective roles and mandates as described in their respective then-current position statement or policy, on measures to assess, prevent, and respond to concerns of Threats and Reprisals stemming from CAO processes and activities.

XII. OUTREACH AND COMMUNICATION

The accessibility of CAO and the effective implementation of CAO's mandate under this Policy depend on the ability of CAO to engage effectively with its stakeholders. CAO takes a proactive approach to promote awareness and understanding of this Policy and the purpose, mandate, functions, and activities of CAO as the independent recourse and accountability mechanism of IFC and MIGA. CAO's outreach activities and communications are guided by the relevant Complainant confidentiality provisions, including measures designed to address the risk of retaliation.

A. Outreach and Training

As requested by CODE, CAO conducts outreach to external stakeholders to enhance CAO's accessibility, including cooperation with the independent accountability mechanisms of other organizations, as relevant. CAO disseminates information about its mandate and work in IFC/MIGA member countries, including through IFC/MIGA country offices and regional hubs. CAO also engages with Project-affected people and their representatives upon request. Through these efforts, CAO aims to respond to local constraints that may impede peoples' ability to access CAO services or participate in a CAO process.

CAO shall provide training to IFC/MIGA staff and external stakeholders on the implementation of this Policy. CAO will tailor the training to specific needs, based on direct requests or feedback, or in relation to casework.

B. Public Reports and Information Materials

While CAO's working language is English, CAO seeks to make reports and communication materials available in relevant local languages to promote accessibility. CAO issues public information materials in the official languages of the World Bank Group (Arabic, Chinese (Mandarin), English, French, Russian, Spanish, and Portuguese), and additional languages where deemed necessary. CAO makes available these materials in electronic and hard copy and by other culturally appropriate means.

Complainants may submit a complaint to CAO in any language, and CAO's correspondence and engagement with the Complainant and its representatives will be in both the language of the complaint and English.

CAO publishes all CAO reports in English, including case reports, advisory reports, and annual reports. All publicly disclosed reports on casework — including assessment reports, dispute resolution reports, and compliance reports — will be translated into the Complainant's local language. When deemed necessary, CAO will translate its reports into additional local languages and present them in a culturally appropriate manner.

CAO may post a public statement on its website at different stages of the case handling process to clarify its mandate and process. CAO may issue joint statements agreed by the Parties, and joint statements by CAO and IFC/MIGA, as appropriate.

CAO will submit an annual report to the Boards concerning its activities. CAO publishes an annual report and periodic newsletters on its website.

C. IFC/MIGA Information Disclosures about CAO

To facilitate CAO being known to IFC/MIGA staff, Clients, and Project-affected people, IFC and MIGA will:

- a) provide accessible information about CAO on their websites and in their annual reports;
- b) include in the relevant IFC/MIGA project disclosure reference to any applicable grievance mechanisms, including CAO;
- c) work with Clients to disseminate information at the project-level about CAO and its availability as a recourse in case other mechanisms for dealing with harmful project impacts are not successful; and
- d) include information pertaining to CAO as relevant in the appropriate IFC/MIGA project documentation; and
- e) include information about CAO in the induction and training of IFC/MIGA staff.

XIII. COOPERATION WITH OTHER INDEPENDENT ACCOUNTABILITY MECHANISMS (IAMs)

If CAO is aware that other organizations have financed or guaranteed the Project in connection with a complaint, CAO will notify those IAMs of the existence of the complaint, subject to the Complainant's consent to this notice and applicable provisions to protect confidentiality.

If CAO engages with a complaint that overlaps with the jurisdiction of other organizations' IAMs and where the complaints involve the same or substantially similar issues, CAO will use best efforts to collaborate with such IAMs to ensure that the complaint is handled fairly and efficiently consistent with this Policy. At all times, the cooperation must remain within the requirements and constraints of the IAMs' respective mandates, rules, and procedures, including requirements of confidentiality and disclosure of information.

XIV. REVIEW OF POLICY

The Boards will initiate a review of this Policy no later than 5 years after it becomes effective.

XV. ENTRY IN EFFECT

- A. This Policy will become effective on July 1, 2021.
- B. This Policy will apply to any complaint submitted to CAO on or after the date on which this Policy became effective and supersedes and replaces in its entirety the CAO Operational Guidelines and CAO Terms of Reference.

C. CAO will develop and make public procedures for the transition of ongoing CAO cases to this Policy. IFC and MIGA will make necessary transitional arrangements for the application of the provisions of this Policy, including the introduction of contractual requirements as set forth in the Access to Information section.

XVI. GLOSSARY

Terms used in this Policy have the following meanings:

Access to Information Policy or AIP(s)

IFC's or MIGA's Access to Information Policy, or both, as applicable

Board(s)

IFC or MIGA Board of Directors, as applicable (together, the **Boards**)

Business Days

Any day that is not a Saturday, Sunday, or other day on which the World Bank Group headquarters remain closed.

CAO

The Office of the Compliance Advisor Ombudsman

CAO DG

The Director General of the CAO

Client (IFC)

The legal entity to which IFC provides investment or advisory services. For IFC Projects in relation to which IFC has entered into Project agreements, the term IFC Client refers to the legal entity that receives investment or advisory services from IFC under the Project agreements. For IFC Projects in relation to which IFC has not entered into Project agreements, the term IFC Client refers to the legal entity that is engaged in active discussions with Management with respect to such investment or advisory services.

Client (MIGA)

The Project Enterprise, the Guarantee Holder, the borrower of any loan guaranteed by MIGA or any other entity responsible for the implementation of the Project (as such parties are set forth in MIGA's contract of guarantee or if MIGA has not yet entered into a contract of guarantee as approved by the MIGA Board or MIGA Management (under delegated authority)), as is appropriate in the context. MIGA has no contractual relationship with the Project Enterprise; thus MIGA seeks to enforce its requirements, including E&S Requirements, through its Guarantee Holder as outlined in MIGA's contract of guarantee.

CODE

Committee on Development Effectiveness of the Boards

Complainant

Individual(s) or group(s) of individuals identified as participating in a CAO process, who believe that they have been or may be harmed by a Project

Environmental and Social (E&S) Requirements

Project-level requirements as defined in the IFC/MIGA E&S Policies and Performance Standards as relevant, and other environmental and social obligations as may be agreed between IFC/MIGA and the Client.

E&S Policies

Means (i) the Policy on Environmental and Social Sustainability of IFC or MIGA as applicable and updated from time to time; and (ii) any other Board approved environmental and social commitments for Projects.

FI

Financial intermediary

Harm

Any material adverse environmental and social effect on people or the environment resulting directly or indirectly from a Project or Sub-Project. Harm may be actual or reasonably likely to occur in the future.

IAM

An independent accountability mechanism. For the purpose of this Policy, IAM refers to an independent accountability mechanism that is a member of the IAM Network.

IAM Network

A network of independent citizen-driven complaint and response mechanisms at international development finance institutions that have a mandate to consider social and environmental impacts/concerns, which may be found at independentaccountabilitymechanism.net

IBRD

International Bank for Reconstruction and Development

IDA

International Development Association

IFC

International Finance Corporation

IFC/MIGA Exit

For IFC: Means, with respect to any Project, the termination of the financing, investment, or advisory relationship with the IFC Client for such Project pursuant to the applicable Project agreements.

For MIGA: Means, with respect to any Project, the earlier of (i) expiration of the guarantee period; (ii) termination of MIGA's contract of guarantee; (iii) cessation of MIGA's liability under MIGA's contract of guarantee; (iv) when the Project ceases to exist; or (v) when the Client ceases to have control over the Project.

INT

World Bank Group Integrity Vice Presidency

Management

The management of IFC or MIGA, or both, as applicable

MAP

Management Action Plan

MIGA

Multilateral Investment Guarantee Agency

Operational Guidelines

CAO's Operational Guidelines dated March 2013

Parties

The Complainant(s) and the Client(s) and/or Sub-Client(s)

Performance Standards

IFC's or MIGA's Performance Standards on Environmental and Social Sustainability, or both, as applicable

Policy on Environmental and Social Sustainability

The Policy on Environmental and Social Sustainability of IFC or MIGA, or both, as applicable.

Policy

IFC/MIGA Independent Accountability Mechanism (CAO) Policy

President

The President of the World Bank Group.

Project (IFC)

Means: (1) with respect to investment services or advisory services provided by IFC to a Client, the investment or advisory services contemplated by the relevant services agreement; and (2) with respect to financing or investment engagements, the business activities that are contemplated or may be supported under the applicable Project agreements. Where relevant engagements or agreements have not been definitively agreed

or executed, Project means the services, project or activities being discussed or contemplated by IFC and the Client.

Project (MIGA)

A project or set of projects in which the investment covered by MIGA or approved by the MIGA Board or MIGA Management (under delegated authority) has been made or is to be made. For Projects in relation to which MIGA has entered into a contract of guarantee, the term Project refers to the Investment Project (as such term is defined in MIGA's contract of guarantee). For Projects in relation to which MIGA has not yet entered into a contract of guarantee, the term Project refers to the project that the MIGA Board or MIGA Management (under delegated authority) had approved.

Sub-Client

A business directly supported by an FI Client that is within the use of proceeds requirements in IFC's finance or investment documents or MIGA's contract of guarantee.

Sub-Project

A business operation of a Sub-Client within the use of proceeds requirements in IFC's finance or investment documents or MIGA's contract of guarantee.

Sustainability Framework

Policy on Environmental and Social Sustainability, Performance Standards, and Access to Information Policy

Terms of Reference

CAO's Terms of Reference, instituted by the President, that establish the CAO's mandate and form the basis for the Operational Guidelines

Threats and Reprisals

Any detrimental act recommended, threatened, or taken, directly or indirectly, against a person to silence him or her, prevent his or her interaction with CAO or prevent the submission or continued processing of a complaint. Forms of Threats and Reprisals include attempts at intimidation, harassment, discriminatory treatment, withholding of entitlement, risks to livelihood or reputation, and threats of physical violence, criminalization, or incarceration.

World Bank Group

IBRD, IDA, IFC, MIGA, and the International Centre for Settlement of Investment Disputes.

For purposes of this Policy, the term "staff" refers to all persons holding World Bank Group appointments as defined in Staff Rule 4.01, including persons holding consultant and local consultant appointments.