

## External Review: IFC/MIGA Update of a Remedial Actions Framework, April 2022

1. The *External Review of IFC's and MIGA's Environmental and Social Accountability (E&S), including the Compliance Advisor Ombudsman (CAO)'s Role and Effectiveness*, made a number of recommendations to strengthen the E&S accountability of IFC and MIGA. The responses to the recommendations have been clustered into three areas to facilitate implementation: (1) the IFC/MIGA Independent Accountability Mechanism (CAO) Policy; (2) non-policy actions for IFC/MIGA to implement; and (3) an IFC/MIGA approach for enabling remedial solutions. The key milestones toward the development of a remedial actions framework are covered in this update
2. An interdepartmental working group chaired by two senior directors and supported by a joint IFC/MIGA technical team was established to guide work on IFC's/MIGA's approach to remedial actions. Between January and June 2021, the working group conducted research, which involved reviewing theory, guidance, and practice, including IFC/MIGA's Sustainability Frameworks, related to remedial actions. The results from this phase were reported to the Committee on Development Effectiveness (CODE) in a progress report in June 2021.
3. IFC/MIGA is currently working on a paper "Towards IFC/MIGA Remedial Action Framework" to be presented to CODE in Q4 FY22. The paper will address the key considerations for establishing a Remedial Action Framework. These considerations include: (i) scope of application; (ii) roles and responsibilities of IFC/MIGA and IFC/MIGA clients; (iii) role of the current Sustainability Framework; (iv) existing channels to access remedy; (v) areas of IFC/MIGA current practice that provide a good foundation but may require further enhancement; and (iv) options for financing remedial actions.
4. A formal consultation process with a wide range of stakeholders will be conducted on the emerging framework to remedial actions, after the formal CODE meeting. It is expected that the 45-day stakeholder consultation period will commence in late Q1 FY23. Communication regarding the process and individual events will be available on the IFC website. Inputs from this consultation process will inform refinement of the approach. A final paper will be submitted to the Board for consideration after the consultation.