
CAO COMPLIANCE
ADVISOR
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QUARTERLY



**Make Your
Voice Heard**

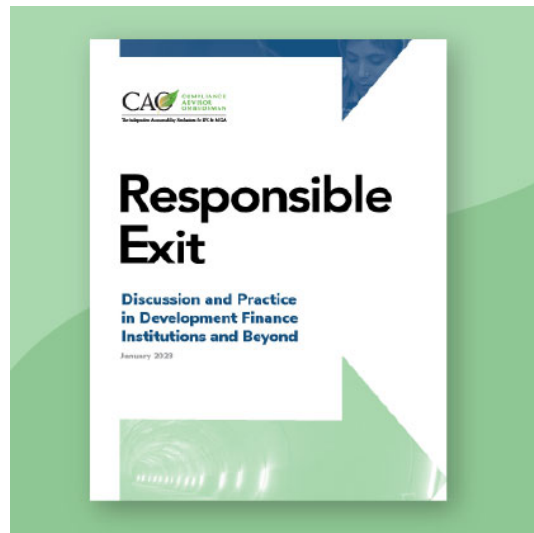
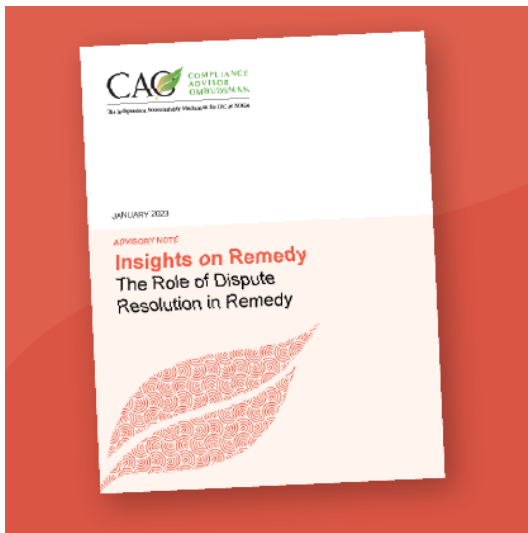
Issue 30

We updated our quarterly newsletter format for a better user experience. Enjoy!



CAO Releases New Advisory Work on Remedy and Responsible Exit

CAO released two new advisory notes in February to inform IFC and MIGA's evolving approach to remedy and responsible exit. CAO released the publications, [*The Role of Dispute Resolution in Remedy*](#) and [*Responsible Exit: Discussion and Practice in Development Finance Institutions and Beyond*](#) in advance of IFC/MIGA's public consultations on the topic.

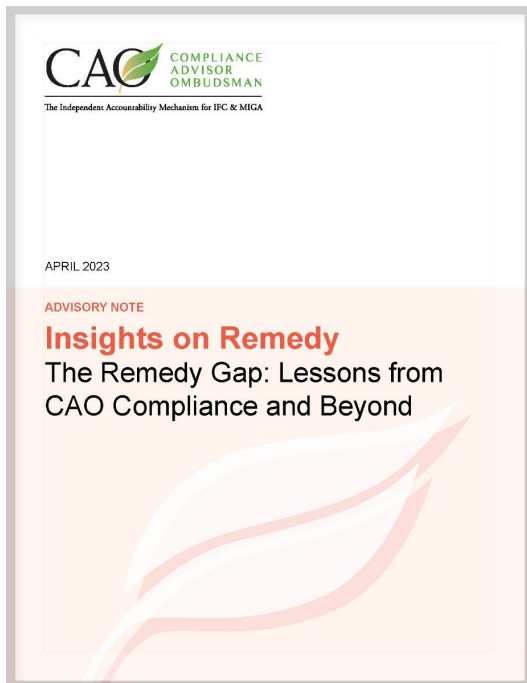


IFC and MIGA are developing an approach to remedy in response to recommendations from the 2020 External Review to address potential or actual harm that may unintentionally arise during the development process.

CAO's advisory note on [*The Role of Dispute Resolution in Remedy*](#) draws insights from case experience and identifies opportunities for IFC and MIGA to support remedial outcomes for project-affected people through CAO dispute resolution processes.

CAO's landscape [*study on responsible exit*](#) explores how various actors approach responsible exit. Participants in the study include development finance institutions, banking institutions, impact investors, and civil society

organizations. The report offers key findings on advancing responsible exit strategies for investment institutions, and an analysis of the study's implications for IFC.



CAO also finalized a third advisory note during the quarter on [*The Remedy Gap: Lessons from CAO Compliance and Beyond*](#). The publication explores the “remedy gap” that occurs when harm to people arising from the adverse impacts of IFC/MIGA projects is not remedied through the actions of IFC/MIGA or their clients.

Additional resources related to remedy and responsible exit, including CAO’s formal comments on IFC/MIGA’s proposed approach to remedial action, can be found on CAO’s Remedy Center webpage.

[Explore CAO's work on Remedy and Responsible Exit here.](#)



Mediator Workshop: Strengthening Capacity for Dispute Resolution Across Francophone Africa

CAO hosted a three-day workshop for mediators from across Francophone Africa from Jan. 31 to Feb. 2, 2023, in Grand-Bassam, Côte d'Ivoire.

The workshop, which was organized in collaboration with the Independent Accountability Mechanisms (IAMs) of the African Development Bank and European Investment Bank, brought together 17 experienced mediators to collaborate, brainstorm, and develop tactics and tools for effective company-community dispute resolution.



CAO Mediator Workshop in Grand-Bassam, Côte d'Ivoire. Photo credit: CAO

The goal of the workshop was to gather, hone, and build talent from across the continent, geared towards dispute resolution between local communities and private sector companies.

[Learn more about the workshop here in French and English.](#)



Case related to dairy company in Colombia closed after dispute resolution process

CAO closed a dispute resolution process in Colombia in March 2023 after monitoring the implementation of an agreement reached between a dairy company and local farmers.

The dispute resolution process responded to a complaint filed in April 2013 by the owners of the Finca Golpe de Agua farm, which is adjacent to a dairy production facility owned by Alquería, an IFC client and the third-largest dairy company in Colombia. The complaint raised concerns regarding alleged adverse environmental impacts resulting from Alquería's operations on the farm, including soil, air, and noise pollution.

Following CAO's assessment, the parties agreed to engage in a dispute resolution process to address the issues. In June 2017, the company and the complainants reached an agreement, which was subsequently monitored by CAO. However, the implementation of the agreement faced delays, including those caused by COVID-19 restrictions and social unrest in Colombia.

After evaluating the challenges, progress in the monitoring phase, and the relationship established between the parties, CAO decided to conclude the dispute resolution process in August 2022. The company subsequently confirmed their commitment to fully implement the agreement, and CAO officially closed the case in March 2023. CAO's conclusion report, documenting the dispute resolution process and outcomes, is available on CAO's website.

[To learn more about this case, click here.](#)



Quarterly Engagement with Civil Society: CAO's Advisory Work

In February, CAO hosted a roundtable for civil society organizations (CSOs) focused on its advisory work related to remedy and responsible exit. The hybrid session, which participants joined in-person and online, invited comments, questions, and feedback on two new CAO advisory publications: "The Role of Dispute Resolution in Remedy" and "Responsible Exit: Discussion and Practice in Development Finance Institutions and Beyond."



CSO Roundtable in Washington, D.C. Photo credit: CAO

During the meeting, participants discussed their inputs to the upcoming public consultations on IFC/MIGA's proposed Approach to Remedial Action, while CAO shared key findings and recommendations from its ongoing analysis on the topic.

The roundtable is part of a series of quarterly engagements that CAO is conducting with CSOs to discuss its work and topics of interest. The most recent roundtable occurred during the World Bank Group/IMF Spring Meetings

in April 2023.

[Learn more about our CSO Roundtable here.](#)

 **OUTREACH**

Academic outreach in Tokyo and Washington, DC.

CAO frequently engages with academic institutions to share information with students about the field of environmental and social accountability and grievance redress, and particularly alternative dispute resolution (ADR) in a development context.

In January, Anne-Claire Olivera, a dispute resolution specialist with CAO, presented CAO's work to international students from Waseda University's Masters in Law program in Japan. The session focused on the specificities of company-community mediation processes.

In February, CAO participated in an Annual International Legal Careers Symposium organized by the American University Washington College of Law, Georgetown University Law Center, and The George Washington University Law School. CAO specialist, Silvia da Rosa, shared information about CAO's dispute resolution work with graduate and undergraduate students and provided career advice about working for the World Bank Group.



 **COMPLIANCE**

New Compliance Investigation Related to Palm Oil Sector in Indonesia



Palm Plantation in Indonesia. Photo credit: CAO

CAO has initiated a new investigation related to IFC investments in the palm oil sector in Indonesia following the conclusion of a compliance appraisal. The appraisal responded to a 2018 complaint regarding a palm oil plantation owned by a subsidiary of the Wings Group, an IFC client. The complaint raised concerns about water pollution and associated health impacts, failure to establish agreed smallholdings, and clearance of Indigenous People's forest and land.

After CAO found the complaint eligible and completed an assessment early in 2019, the parties initially engaged in a dispute resolution process to attempt to resolve the concerns. However, despite their efforts over three years, no agreement was reached and the complainant requested that the case transfer to CAO's Compliance function in November 2022.

CAO completed the compliance appraisal at the end of March 2023 concluding

that the criteria were met for an investigation of IFC's environmental and social performance related to its investment in Wings Group. This conclusion was reached despite IFC's exit from Wings in 2019 since the investigation would provide value in terms of accountability, learning, and/or remedial action.

[To learn more about the case, click here.](#)



 **ASSESSMENT**

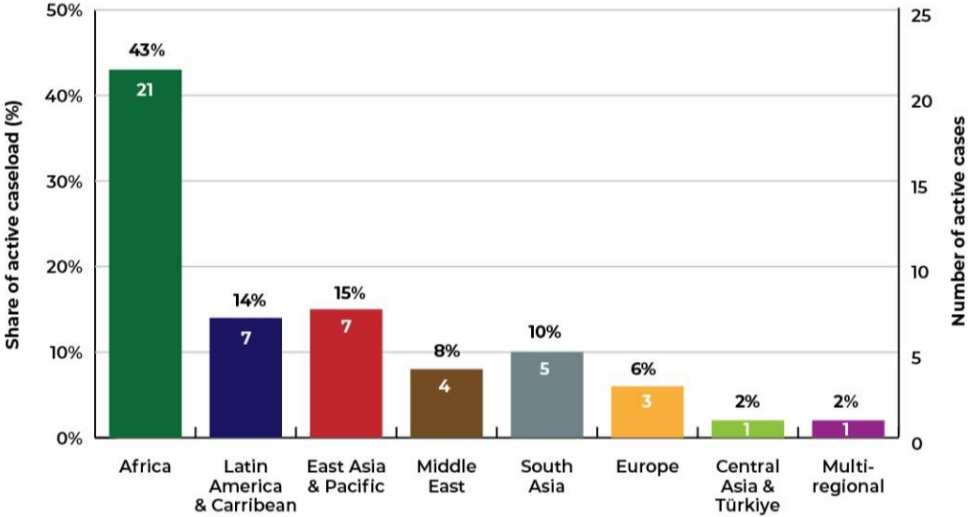
CAO is addressing several complaints related to the IFC and MIGA-supported Benban Solar Park in Egypt

IFC leads a consortium of 9 international banks, providing a debt package totaling \$653 million, of which \$225 million is financed by IFC. This capital supports the construction of 14 of the 41 solar power plants that make up the Benban Solar Park. MIGA has 12 active guarantees for projects in the Benban Solar Park.

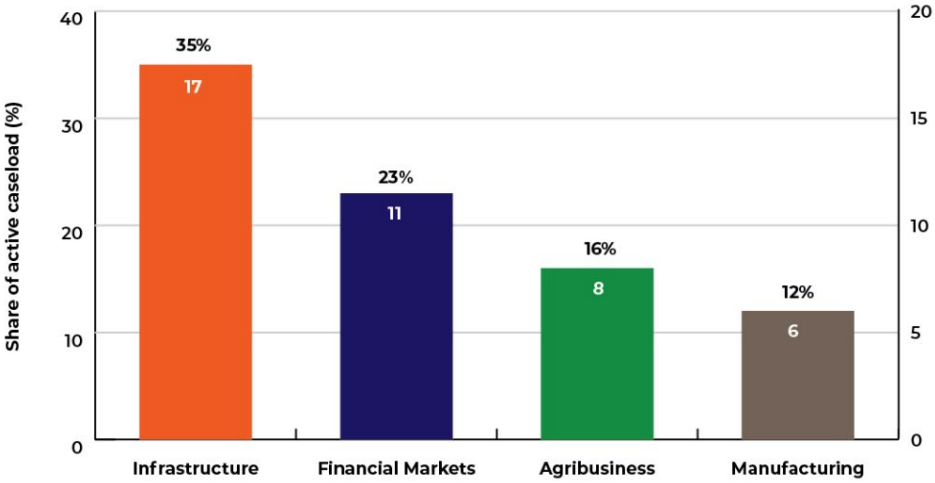
The complaints to CAO raise concerns including labor and working conditions, grievance management, community health and safety, and community development. CAO has completed assessments for 6 complaints (Benban Solar 01, 02, 04, 05, 06, and 07) which are now in dispute resolution. One complaint (Benban Solar 03) closed during assessment as the issues were resolved via the parties' direct engagement.

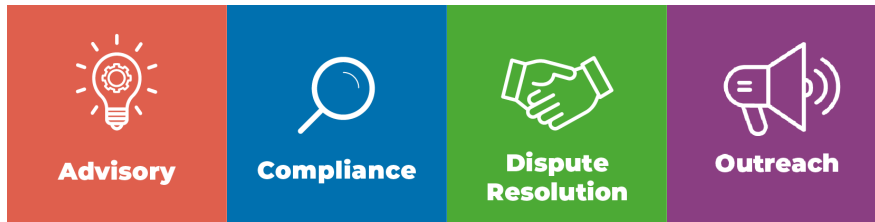
[More details on these cases, including the assessment reports, are available on CAO's website.](#)

Case By Region



Case By Sector





Click on the icons above to learn about CAO's functions and how we work.



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The Office of the Compliance Advisor Ombudsman (CAO) is the Independent Accountability Mechanism for the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA), members of the World Bank Group.

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