

Highlighting 20 Years of Accountability: CAO in Numbers

Marking a new era—with the adoption and implementation of the [2021 CAO Policy](#)—this year we released “CAO in Numbers,” an interactive digital report gathering insights from over two decades of CAO operations.

CAO remains one of the most experienced accountability mechanisms amongst development finance institutions, handling over 200 cases since 2000. [Data we gather from our work](#) informs

our approach and highlights opportunities for enhancing our impact and effectiveness.

So, what happens once complaints become eligible and become cases? Those involved—the complainants and the company—get to choose either dispute resolution or compliance processes to address the issues. Over time, about half of complainants and companies [chose](#) dispute resolution, and half choose compliance as a way forward. Data reveals that overall, when a case moves straight to compliance, it is most often the company that chooses to go that route.

Our [Dispute Resolution function](#) works to resolve complaints through a neutral, collaborative, problem-solving approach to contribute to improved outcomes. The highest reported

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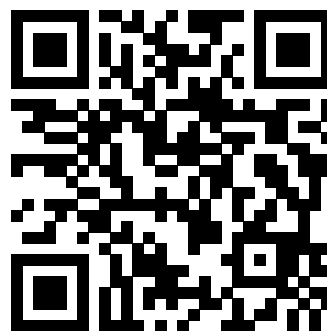
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outcomes from dispute resolution processes are compensation (including for land, health care costs, unpaid wages, as well as non-financial compensation), ongoing engagement, and community development. [Trust in IFC and MIGA also rises significantly after CAO dispute resolution processes.](#)

Our [Compliance function](#) reviews IFC's or MIGA's compliance with their environmental and social policies. Compliance processes have led to systemic changes and learning at IFC and MIGA. For example, CAO's 2012 compliance audit of financial intermediaries at IFC led to significant changes in how IFC engaged with financial intermediaries—the institution reduced its exposure to high-risk clients, instituted capacity to manage high-risk labor issues, and increased resources allocated to environmental and social issues with high-risk clients.

Additionally, our [Advisory function](#)—which garners data and lessons to offer insights to help improve IFC's and MIGA's performance on environmental

CAO in Numbers reveals insights from data gleaned over 20 years to facilitate environmental and social sustainability and reduce the risk of harm to people and the environment.

and social sustainability—has [catalyzed lasting impacts](#) over the years. Advisory's ongoing work on the topic of facilitating access to remedy and fostering responsible exit from projects will offer guidance to IFC and MIGA as they develop their remedial actions framework, as both institutions work towards improving the outcomes and impact of their development projects for communities.

[CAO in Numbers](#) features these insights, and much more. Delve into data and take a journey through outcomes through this [innovative report](#). [Read the full story.](#)

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**For more on CAO's
Advisory work**

In June 2000, a contractor to Minera Yanacocha spilled 151 kilograms of elemental mercury along a 41-kilometer stretch of road between a mine site and the town of Choropampa in Peru. Local people were exposed to the contaminant, unaware of the health risk it posed. The World Bank Group was involved in the project through its private sector arm, the International Finance Corporation (IFC). In July 2000, IFC's newly created independent accountability mechanism, CAO, oversaw an [independent investigation](#) into the spill, which was followed by a [5-year CAO dialogue process](#) to help address conflict between the communities and the mine.



Cases Regarding Hydropower Project in Pakistan Now Under Investigation

Two cases concerning a hydroelectric power project in Pakistan—[Karot-02](#) and [Karot-03](#)—completed a compliance appraisal process in January, and CAO has initiated an investigation of IFC's environmental and social performance. The cases concern a 720-megawatt run-of-the-river hydroelectric project on the Jhelum River. CAO's appraisal report, released in January, presents an analysis of labor concerns raised in the complaints, specifically related to labor and working conditions and community health, safety and security covered by IFC's [Performance Standards 2](#) and [4](#) respectively.

"The compliance appraisal for two cases from Pakistan—Karot-02 and Karot-03—is the last to be completed under CAO's Operational Guidelines, and both cases will now be processed under the new CAO Policy."

CAO acknowledged that IFC had taken measures to improve the client's labor-management performance. However, CAO concluded that an investigation was warranted regarding the discrimination in the provision of worker services; freedom of association; workplace health and safety; wage and retrenchment practice; grievance handling; and project security arrangements related to allegations of intimidation in accessing the project site.

[Read the appraisal report](#), available in [English](#) and [Urdu](#), for more details. The investigation will be processed under CAO's 2021 Policy.

CAO Handles First Deferral Under 2021 Policy

On March 16, 2022, CAO completed a compliance appraisal of a complaint regarding IFC's investment in Shapoorji Pallonji in India and granted the first request for the deferral of an investigation—a new tool under the 2021 CAO Policy.

The appraisal concluded that a compliance investigation is merited regarding the complainant's allegations of project-related physical and economic displacement, linked to IFC's application of its environmental and social sustainability standards on land acquisition and resettlement—specifically [Performance Standard 5](#). In response to a request from IFC and after consultation with the complainant, CAO has decided to defer its investigation on this issue. The deferral will allow IFC and its client to implement a six-month action plan designed to respond to the complainant's claim in a manner consistent with IFC's [environmental and social performance standards](#).

During the deferral period, CAO will monitor the implementation of the action plan. Afterwards, CAO will issue a report with its decision to either: close the case, if the issues raised in the complaint have been substantially addressed; extend the deferral period if it is highly likely that the issues will be resolved within a defined extension period; or move on to a compliance investigation if the issues have not been substantially addressed. [Get details about this case.](#)

For more on our compliance work

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Community representatives from 13 villages in Sangaredi and NGO Advisors during the 9th joint meeting with CAO, Sangaredi, Guinea, March 18, 2022 Photo Credit: CAO/Spyridon Antonelos

Through Mediation Process, Community Members and Mining Company in Guinea Reach Agreement on Blasting

After nearly three years, parties to a CAO dispute resolution process involving a bauxite mining project in Guinea have reached a consensus on two issues raised by the complaints. CAO received a [complaint](#) in 2019 regarding IFC's support for Guinean Bauxite Company (CBG), a mining company operating in the Sangaredi region of Guinea. The complaint raised concerns about land take, impacts of blasting on the communities, land rehabilitation, land return, and impacts on water and the environment affecting the livelihoods of 13 communities living near the mining area. After accepting the complaint, CAO

conducted an assessment, where the community and the company (the parties) expressed a desire to participate in a CAO dispute resolution process to attempt to resolve the concerns.

Since August 2020, CAO worked with the parties to build their capacity for dialogue and mediation and in December 2020, the parties signed [ground rules](#) for the mediation process. This was an important step that paved the way for the parties to discuss the substantive environmental and social issues raised in the complaint and to seek joint solutions.

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Through the ongoing dispute resolution process, nine joint sessions with the parties have been conducted as of March 2022.

In October 2021, the company and communities reached an agreement on how to address concerns related to the impacts of [blasting on the communities](#). The blasting agreement includes, among other actions, the hiring of a blasting expert, the cessation of blasting and surface mining activities within an agreed-upon distance from villages, adequate notice to communities about these activities, and use of the company's grievance mechanism to address future concerns related to blasting. The process of hiring a blasting expert is now ongoing. CAO has also created a monitoring framework, which is being used to verify the implementation of the blasting agreement. Some aspects of the blasting agreement related

“Due to the mediation process, the bauxite company and the communities reached an agreement on how to address concerns related to blasting in October 2021 (...) CAO has also created a monitoring framework, which is being used to verify the implementation of the blasting agreement.”

to the use of surface miners, demarcation of buffer zone and change in the blasting schedule are being implemented by the company. The parties have also discussed how best to ensure the community's access to water. More details about this case are available [here](#).

**For more on CAO's
Dispute Resolution work**

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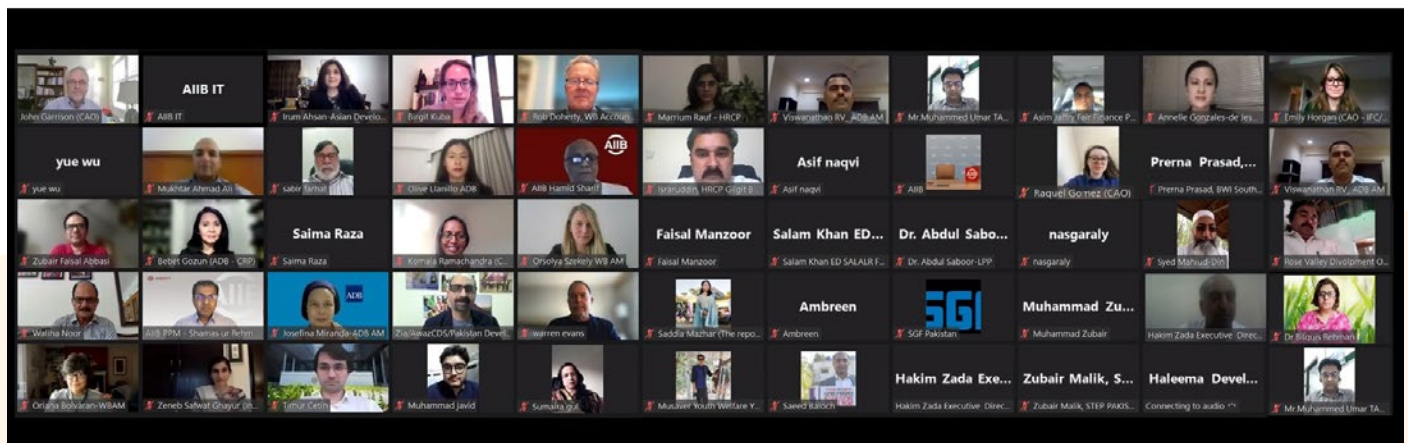
Engaging Civil Society in Pakistan

On March 29 and 30, representatives from about 50 Civil Society Organizations (CSOs) from various regions in Pakistan participated in a two-day outreach event CAO co-hosted. Pakistani civil society was informed about CAO's dispute resolution and compliance resolution work, and the work of independent accountability mechanisms across the globe. The event served to promote dialogue between the mechanisms and civil society, and to learn about the experiences and concerns related to promoting accountability in projects financed by multilateral development banks in Pakistan.

The six-hour online seminar included a joint presentation by various accountability mechanisms on their investigation and dispute resolution work, and a session on the role of international development actors in Pakistan and the experience of civil society in engaging with accountability mechanisms. [Learn more.](#)

For more on CAO outreach

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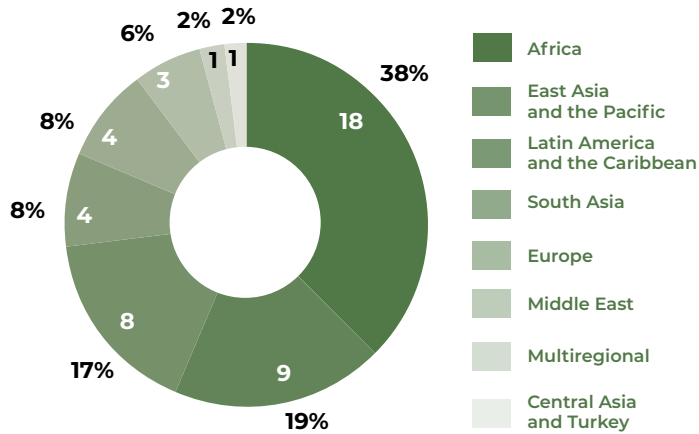


CAO Pakistan Outreach

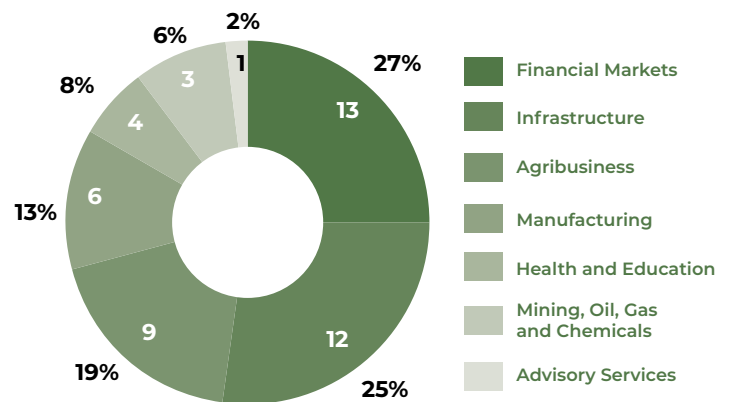
CASE TRACKER

Status as of March 31, 2022.

Cases by Region



Cases by Sector

Visit our [Data Center](#) for more case statistics and information.**DATA CENTER**

Aerial view from a traditional village in Bel-Air, Guinea
Photo Credit: Tim Oun from Unsplash

FOR MORE INFORMATION

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