

A Handbook on the Office of the Compliance Advisor
Ombudsman of the International Finance Corporation and
Multilateral Investment Guarantee Agency:

Center for International Environmental Law

A Discussion Draft

September 2000

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Handbook on the CAO: Discussion Draft

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Introduction

In 1998 World Bank Group President James Wolfensohn created the position of the Compliance Advisor/Ombudsman (CAO) for the International Finance Corporation (IFC) and the Multilateral Investment Guarantee Agency (MIGA). The purpose of the CAO is “to assist the IFC and MIGA to address complaints of people affected by projects in a manner that is fair, objective and constructive.”ⁱ This *Handbook* is designed to guide project-affected people presenting complaints to the CAO. It also gives a brief introduction to the role of the IFC and MIGA and the function of the CAO’s office. Because the CAO’s office is relatively new, there has not yet been much practical experience with bringing complaints to the CAO. As a result, this *Handbook* is still a discussion draft. This *Handbook* will be revised in 2001 to take account of experience with actual claims filed with the CAO. We welcome any comments or suggestions on how to improve this *Handbook*.

I. What are IFC and MIGA?

IFC and MIGA are both part of the World Bank Group.ⁱⁱ In contrast to the World Bank, which lends to governments, IFC and MIGA provide support directly to corporations operating in developing countries either in the form of loans or guarantees. The corporations IFC and MIGA support can either be local companies, or they can be multinational corporations. In order to receive IFC or MIGA support, the corporation must comply with the conditions imposed by IFC or MIGA. Some of these conditions relate to the social and environmental impacts of projects. Both IFC and MIGA have environmental and social policies.

Both IFC and MIGA are governed by Boards of Executive Directors. The Executive Directors represent the interests of the countries that are members of the institutions (both developing and developed countries). Each institution has its own board, because the institutions have different memberships. Usually the World Bank Executive Director for a country is also the Executive Director for that country for IFC and MIGA, if the country is a member of all three institutions. Often, one Executive Director will represent several countries.

The Executive Directors have the final authority to approve a project. They also have the authority to attach conditions to the approval of a project or to the disbursement of funds. As a practical matter, however, once a project is formally submitted to the Board for approval, it is almost always approved. Raising your concerns with the Executive Directors can be critical in raising awareness about the problems associated with a project, but it is best to do this *before* a Board date is set for considering the project. Early pressure on the Board (for example, through the media, letters, or meetings) can put pressure on IFC or MIGA management to improve or delay problem projects.

What is the International Finance Corporation?

The IFC’s mission is “to promote private sector investment in developing countries, which will reduce poverty and improve people’s lives.”ⁱⁱⁱ The IFC supports private corporations by providing loans and by purchasing equity (stocks) in corporations (called project sponsors). The IFC is usually one of a number of financiers involved in a project. In addition to providing direct

loans (loaning its money to a corporation), the IFC also “syndicates” loans. This means that they arrange lending from private sector banks to the borrowing corporation. Private banks pool their money in these syndicated loans, thus spreading the risk amongst themselves. IFC becomes the lender of record, taking on many of the responsibility of being the lender, but does not guarantee the returns of the private lenders.^{iv}

IFC involvement in a project is important – even if IFC is not providing the majority of the financing – because it usually helps companies to secure additional financing from other private sources. In situations where IFC owns equity in a company, it typically holds five to ten percent of the shares, although its holdings can be as high as twenty percent.

What are the IFC's policies and where can you find them?

The IFC has policies designed to address the social and environmental impacts of their projects. The IFC has policies on Information Disclosure, Environmental Assessment, Natural Habitats, Pest Management, Forestry and Projects on International Waterways. It is also in the process of developing policies on Indigenous Peoples, Involuntary Resettlement, Cultural Property, and Safety of Dams. Until it approves its own policies in these areas it applies the relevant World Banks Policies. The IFC's policies can be found on the web at <http://www.ifc.org/enviro/index.html>. The are also attached to this *Handbook* in appendix II. In addition the IFC has a “Good Practice Manual” on public consultation. Project sponsors are not required to comply with provisions of the Good Practice Manual, although they are encouraged to do so. The Good Practice Manual can also be accessed through the Web at <http://www.ifc.org/enviro/Manual/manual.html>.

Who at the IFC is responsible for the project and ensuring compliance with the policies?

Each IFC project has an investment officer and a social and environmental specialist. The investment officer is the person in the IFC with overall responsibility for the project and moving it through the IFC's bureaucracy. The social and environmental specialist is the person responsible for making sure that the project complies with IFC policies. The social and environmental specialist may or may not visit the project site prior to approval, depending on the project. The IFC may require on-going monitoring and reporting as a condition of financing, but monitoring reports are not made public.

What information is available about IFC projects, before they are approved?

Only three documents must be made publicly available about IFC projects, prior to approval.

- The ***Summary of Project Information (SPI)***, which is a short description of the project, is made available at the World Bank Info Shop and on the internet 30 days prior to the Board meeting at which the project will be considered.
- An ***Environmental Assessment (EA)*** is made available 60 days prior to the Board date for category A projects, which the policies define as those projects with significant environmental and social risks.
- An ***Environmental Review Summary (ERS)*** is made available 30 days prior to the Board date for projects that do not require an environmental assessment.

Thus, the earliest information about a project is required to be available is 60 days prior to project approval. Obviously, this is usually too late in the process for affected communities to have any meaningful input into project design. Also basic project information, in the form of the SPI, is released

after the EA. The IFC will not agree to the release of an EA to the Info Shop until it is satisfied that the EA is complete. As a practical matter, once the EA is released to the Info Shop it is difficult to raise additional issues or to get the EA revised.

IFC SPIs and ERSs can be found on the IFC web site at <http://www.ifc.org/about/projects/projects.html>, or from the World Bank Info

The World Bank Info Shop
701 18th St., NW
Washington, DC 20433
Tel: +1.202.458.5454
Fax: +1.202.522.1500
Email: pic@worldbank.org

Shop or the IFC resident mission in the country where the project is located, if there is one. Environmental Assessments for category A projects are also available from the Info Shop, the resident missions and from the project sponsor. The project sponsor is required to make the EA available in the area of the project and to affected people “in a form and language that are understandable and accessible to the groups being consulted.” If they have not done so and have not responded to your requests, this information should be transmitted to the IFC. There is no charge for Environmental Assessments for NGOs or individuals from the country where the project is located. For others there is a charge.

Who can you contact to get more information?

The IFC has an NGO Relations and Outreach Officer who is responsible for communicating with NGOs and providing basic information in response to inquiries. The NGO Officer may or may not tell you about the IFC’s involvement in a project prior to the release of either the EA or the SPI, depending on how much information the project sponsor has made publicly available. The NGO Relations and Outreach Officer should tell you, for example, who the investment officer and environmental and

social specialists are for the project you are interested in:

Shawn Miller
NGO Relations and Outreach Officer
IFC Corporate Relations
2121 Pennsylvania Ave., NW
Washington, DC 20433
Telephone: +1.202.473.1404
Fax: +1.202.974.4384
Email: smiller1@ifc.org or ngo@ifc.org

What is the Multilateral Investment Guarantee Agency?

MIGA’s objective is to “encourage the flow of investments for productive purposes among member countries.”^v MIGA provides political risk insurance to companies investing in developing countries. Companies pay for MIGA insurance and the insurance protects their investment against losses due to government breach of contract, expropriations, war or civil unrest, or currency transfer restrictions.

What are MIGA’s policies and where can you find them?

MIGA has policies on Information Disclosure and Environmental Assessment. In addition, in some cases it will apply IFC policies. MIGA’s policies can be found on the web at <http://www.miga.org/screens/projects/projects.htm>. In some cases, MIGA will request that the IFC Environmental Unit carry out environmental and social due diligence for MIGA, but this is not always the case. MIGA’s policies are also included in appendix II to this *Handbook*.

What information is available about MIGA projects, before they are approved?

MIGA makes even less information publicly available about projects prior to approval than the IFC. Information is available prior to approval only for category A projects – the most environmentally harmful projects – and only the environmental assessment is

made available. Available EAs for category A projects are listed on the MIGA web site and are available from the World Bank InfoShop. There is no charge for Environmental Assessments for NGOs or individuals in the country where the projects are. For others there is a charge.

Who can you contact for more information?

Harvey Van Veldhuizen
Senior Environmental Specialist
Guarantees Department
Multilateral Investment Guarantee Agency
1800 G Street NW, 11th floor
Washington, DC 20433, USA
Telephone: +1.202.473.3390
Fax: +1.202.522.2630
Email: hvanveldhuizen@worldbank.org

Gerald West
Manager, Policy & Evaluation
Multilateral Investment Guarantee Agency
1800 G Street NW, 12th floor
Washington, DC 20433, USA
Telephone: +1.202.473.2060
Fax: +1.202.522.2630
Email: gwest1@worldbank.org

II. What is the CAO and why was it created?

Until the creation of the CAO, neither the IFC nor MIGA had any formal mechanism for affected persons and communities to bring to the attention of the IFC and MIGA problems with the planning, implementation or impacts of projects. This is in contrast to the rest of the World Bank, which in 1993 created a quasi-independent Inspection Panel to hear citizen complaints about World Bank's failure to comply with its policies in specific projects.

In 1995, a community of Pehuenche Indians filed a complaint to the Inspection Panel regarding an IFC-supported dam on the Bio Bio River in Chile. The Inspection Panel rejected the claim as ineligible, because the Panel does not have jurisdiction to hear complaints about IFC projects. The claim, however, highlighted the fact that the IFC

had no clear environmental or social policies and no accountability mechanism. As a result, President Wolfensohn promised to develop an accountability mechanism for the IFC and MIGA. In 1998, President Wolfensohn announced the creation of the office of the CAO. In 1998, a committee was formed to identify the CAO and the first CAO took office in 1999 (see box).

The CAO is designed to provide a mechanism for local communities impacted or likely to be impacted by IFC and MIGA supported projects to raise their concerns. The CAO is independent of line management and reports directly to the President. In addition to providing a route for local communities to raise issues and complaints about specific projects, the office is intended to provide independent and objective advice to management regarding the environmental and social aspects of IFC's and MIGA's operations.

The first CAO – Ms. Meg Taylor – was appointed by President Wolfensohn in June 1999 following her identification as a leading candidate for the post by an independent six member external Search Committee, including representatives from NGOs and the private sector. Ms. Taylor, a national of Papua New Guinea, received her LL.B. degree from Melbourne University, Australia in 1974 and her LL.M. degree from Harvard University in 1986. She practiced law for many years in Papua New Guinea and served as a member of the Law Reform Commission. She represented Papua New Guinea as its Ambassador to the United States from 1989 to 1994. She is co-founder and Chairperson of Conservation Melanesia, a community-based conservation organization working with communities on terrestrial and marine issues and has served on the boards of the World Wildlife Fund-USA and of the World Resources Institute. She has been a member of the World Forestry Commission and has carried out a number of environmental and social reviews as a consultant. In addition, Ms. Taylor is a member of the board of several private sector companies in Papua New Guinea in the natural resources, financial, and agricultural sectors.

The CAO has three functions:

- The Ombudsman Function – responding to complaints from project-affected people;
- The Advisory Function – providing independent advice to the President and IFC/MIGA management; and
- The Compliance Audit Function – overseeing audits of IFC's and MIGA's compliance with their environmental and social policies.

The Ombudsman function is the only one that is driven by project-affected peoples and so this *Handbook* focuses on the Ombudsman Function.

How does the CAO fit into the IFC and MIGA?

Although the CAO is housed at the IFC, the CAO is supposed to be independent of the rest of the IFC. The CAO is not part of any department at the IFC or MIGA. The CAO answers directly to the President of the World Bank Group, not to the head of the IFC or MIGA. The CAO does not have a formal role in project design and is not part of the project team. The CAO's office may provide advice on projects, and personnel from the CAO's office may accompany IFC or MIGA staff when they go on supervision missions to a project site.

What are the procedures for bringing a matter to the CAO and where can you find them?

Two documents lay out the basic functions of the CAO: the Terms of Reference and the Operational Guidelines. Both are attached to this *Handbook*. The terms of reference were created by President Wolfensohn and the Operational Guidelines were prepared by the first CAO, Meg Taylor, in consultation with different stakeholders.

The CAO's Operational Guidelines have only recently been completed and so there is little experience with how the Guidelines

operate in practice. Unlike other IFC and MIGA policies, the CAO's guidelines will be available in seven languages (English, Spanish, Portuguese, French, Russian, Chinese, and Arabic). They are currently available on the CAO's website at <http://www.ifc.org/cao> in English, French, Spanish and Russian.

III. What is the process for filing an Ombudsman Complaint & What can you expect if you file a complaint?

Who may file a complaint with the CAO?

Any person, group or community affected by, or likely to be affected by, a project is eligible to file a complaint with the CAO. A representative may also file a complaint on behalf of such a group, community or person. If a complaint is filed by a representative of the affected person(s), the complaint must show that the representative has the authority to represent the affected people. People can also file confidential complaints. In the case of a confidential complaint only people in the office of the CAO will know the identity of the person bringing the complaint.

When can you bring a complaint to the CAO?

A complaint may be brought at anytime in the project process. Even if a project has not yet been approved by IFC/MIGA, you may still bring a complaint. A complaint may also be brought after all the loan money has been disbursed, although it will be more difficult for the IFC to get the project sponsor to change their behavior, once the sponsor already has all of IFC's money. Where IFC continues to own shares (equity) in the company, however, the IFC will still have some influence over the company.

Before filing a complaint, the affected parties must first establish a record of engaging the IFC or MIGA about the problems with the project. This means raising the issue – through meetings, letters, emails, or phone

calls – with the investment officer and the social and environmental specialist, as well as the project sponsor.

It is best to begin engaging the IFC or MIGA as soon as you hear that they may be involved. You are more likely to have an impact on the project if problematic issues are raised early in the process, before the project sponsor and the IFC have invested a lot of time and energy into the project. Unfortunately, this is often extremely difficult, because the IFC only makes information on projects available far into the project cycle.

If the issue is not successfully resolved, then you may file a complaint with the CAO. We recommend sending copies of your correspondence with the IFC to the CAO's office so they are aware of your issues and concerns from the beginning.

What information should be included in a complaint?

A complaint may relate to any aspect of the planning, implementation or impact of a project. A complaint may be about a violation of IFC or MIGA policy, but this is not required.

A complaint need not be complicated. The complaint must be in writing. It may be as simple as a letter containing the following information:

- The name, address and other contact information of the person bringing the complaint (the complainant). If the complainant is filing the complaint on behalf of others (for example a local or national NGO filing on behalf of affected communities), then the people on whose behalf the complaint is being brought must also be identified.
- Whether any information included in the Complaint, including the identity of the complainant, or the individual or group the complainant represents, is to be kept confidential. The Operational Guide-

lines require that the complaint state the reasons for requesting confidentiality.

- The identity and nature of the project, including the name of the sponsor (the corporation that is getting support from IFC or MIGA), whether the project is an IFC project or a MIGA one, and the identity of any personnel involved, as far as you know.
- A clear statement of how you have been impacted by the project.
- What has been done to attempt to resolve the problem, including specifically any contact with IFC or MIGA personnel, the sponsor or host government.
- Where the problem has been partly resolved, what aspects remain unresolved.
- A precise statement of results which the complainant views as the most desirable outcome of the process.
- Any other relevant facts or documents.

The complaint can also explain which IFC or MIGA policies, guidelines and procedures have been violated, but this is not a requirement. Complainants need not have a full understanding of the IFC or MIGA policies in order to file a complaint. The CAO's office is not limited to looking at policy violations. It is often difficult to get access to the IFC or MIGA policies if the complainant does not have access to the internet. Moreover the policies are available only in English. Complainants will probably be most successful if they focus on the factual situation, the impact or potential impact on them, and their desired outcome.

It is useful to attach copies of all correspondence between affected people and the IFC or MIGA to the complaint, in order to demonstrate the steps taken to raise concerns regarding the project to IFC or MIGA staff. Other documents that support the assertions made in your complaint should also be attached.

The CAO Guidelines contain a model letter of complaint (see appendix I). Keep in mind, however, that filing a complaint gives you the opportunity to “tell your story” to the IFC. While you should include all the information required by the CAO Guidelines, you should not feel limited to this information. The more specific you can be in your complaint, the better.

The complaint should describe all the issues and problems that the complainants would like the CAO to address. The CAO does have the authority to respond to complainants and work with them to fully develop their claims. The more complete you can be your in initial contacts, however, the better. When drafting the complaint, keep in mind the information the CAO will use to prioritize the complaint. This is discussed in more detail below, but the complainant should make sure the following information is included in the complaint:

- The number of people affected
- The threat of irreversible harm
- The stage of implementation (projects further along may receive higher priority)
- The seriousness of the issues or policy violations alleged

Where do you send your complaint?

Complaints can be mailed, faxed, emailed or delivered to the CAO’s office:

Compliance Advisor Ombudsman
The International Finance Corporation
2121 Pennsylvania Avenue, NW
Washington, DC 20433
USA
Telephone: +1.202.458.1973
Fax: +1 202.522.7400
Email: cao-compliance@ifc.org

What information can you keep confidential if you decide you want to file a complaint?

- Identity of the complainant
- Supporting documents
- The text of the complaint

Confidential information will only be seen by the CAO’s office. *You must clearly specify in the complaint exactly what information should be treated as confidential.*

What information can you not keep confidential?

- The fact of the complaint

What will happen to my complaint once it is filed?

- *You should receive an acknowledgement within 5 days that your complaint was received.*

The CAO should acknowledge having received your complaint within 5 days (although this is not an absolute requirement). If you do not receive an acknowledgement within a reasonable period of time, you should check with the CAO’s office to ensure that your complaint has been received.

- *You should be notified within 15 days whether your complaint has been accepted or rejected.*

The CAO’s office determines whether to accept a complaint. This decision is at the CAO’s discretion, but the Guidelines contain a number of criteria that are supposed to guide the CAOs decision. These include:

- whether the complaint meets the grounds laid out in the Guidelines (para 2.4.1);
- whether those on whose behalf the complaint is brought have been affected or are likely to be affected by social or environmental impacts on the ground; and
- whether the complaint is “genuine.”

Complaints that are accepted will be registered by the CAO's office. The registry of complaints should be available on the web site in some form. The CAO's communication strategy is still being developed and so the form of this registry remains to be seen. At the time this *Handbook* was written the registry had not yet been created.

You should receive notification from the CAO's office within 15 days telling you whether your complaint has been accepted or rejected.

- *You should be informed of the results of the initial assessment – the course of action the CAO will take in responding to your complaint and the timetable – within 30 days*

If the complaint is accepted, the CAO will assess the complaint to determine the best course of action. At the same time, the CAO will refer the complaint to IFC/MIGA management. Management has 20 days to respond. The CAO will also notify the project sponsor (the company doing the project) and any other relevant parties (for example, other communities affected by the project). Confidential information will not be revealed to management or the project sponsor.

The CAO may decide in the assessment process not to pursue the complaint as an ombudsman complaint. Instead the CAO may decide to do a compliance audit, or to exercise her advisory function. If the CAO decides not to deal with the complaint through the ombudsman function, then the complainant no longer controls the process. The complainant will be informed of this decision, but has no influence over it.

During the assessment process, the CAO will also prioritize the complaint. Factors to be considered in determining the priority of the complaint are:

- The number of people affected
- The threat of irreversible harm
- The stage of implementation

(projects further along may receive higher priority)

- The seriousness of the issues or policy violations alleged
- The likelihood of a positive outcome

These are issues that you should keep in mind in writing your complaint. If there are important issues that will impact the relative priority that will be given to your complaint, you should make sure that these facts are clearly articulated in your complaint.

The results of the assessment, including the course of action to be pursued and the timetable, will be provided to the complainant, IFC/MIGA management, the project sponsor and any other relevant party. The text of the complaint may be included with the assessment, unless the complainant requests otherwise (for example, if it's a confidential complaint).

If you decide to file a complaint, when will you hear from the CAO?

- After filing your complaint, the CAO should acknowledge receiving it (within 5 days).
- Within 15 days of filing your complaint the CAO will tell you whether it has been accepted.
- If your complaint has been accepted, the CAO should inform you within 30 days of the results of the assessment – the course of action to be taken in responding to your complaint and the timetable.

What are the possible results of filing a complaint?

If a complaint is accepted by the CAO and if the CAO decides to proceed with the complaint after the assessment process, several results are possible.

- *The complainant and the project sponsor could reach a settlement agreement.*

A settlement agreement will be reached only if all relevant parties, including the complainant, agree. If the complainant does not want to enter into a settlement agreement, they do not have to. Where a settlement agreement is reached, the CAO's report to the President will summarize the process and attach a copy of the settlement agreement. While the Guidelines create a presumption in favor of disclosure of the report, the Guidelines permit the CAO to keep settlement agreements, or elements of them, confidential. The Guidelines specify that this will be the case where the CAO determines that keeping the agreements confidential will facilitate reaching a satisfactory agreement.

- *In all cases, the CAO will prepare a report that will go to the President of the World Bank Group.*

The CAO will prepare a report regardless of whether a settlement agreement is reached, although the form of the report may vary. The report will go to the President of the World Bank Group, the complainant, IFC/MIGA management and the project sponsor. Where a settlement agreement is not reached, the report to the President may include recommendations for future action on the part of the IFC or MIGA to address the issues raised in the complaint. The report may also be publicly disclosed. The CAO's Guidelines create a presumption in favor of disclosure of reports. The Guidelines do specify, however, that in some cases the CAO's report "may contain a description of the problem raised, the process used and the outcome achieved, without identifying the parties, project or its location."^{vi}

- *The CAO could decide to conduct a compliance audit if s/he finds serious evidence of non-compliance with IFC/MIGA policies.*

A compliance audit is a formal determination by the CAO of whether the project sponsor, IFC, or MIGA has complied with the relevant policies. The decision to conduct a compliance audit is one solely within the discretion of the CAO. If the CAO decides to conduct a compliance audit, that process will be separate from the ombudsman process.

A complainant could request that the CAO conduct a compliance audit if the complainant feels there has been significant violations of the policies and they feel that a compliance audit is the best way to address their concerns. If the CAO decides to do a compliance audit, the complainant will no longer control the process and will have no more "rights" within the process than anyone else. They might, for example, be interviewed or consulted during the audit process, if that is necessary to the fact finding, but they will have no control over the process. If the complainant asks the CAO to conduct a compliance audit and the CAO decides not to, the guidelines do not require the CAO to provide any reason or justification to the complainant for doing so. The Guidelines create a presumption in favor of disclosure of reports following compliance audits.

How Long does the Ombudsman Process Take?

The Ombudsman process does not have a rigid time line, therefore it is difficult to say how long the process will take overall. The Guidelines do lay out timeframes for certain parts of the process:

- The CAO should determine within 15 days of receiving a complaint whether it will be accepted.
- The CAO should complete the assessment of a complaint – determining when and how to proceed – within 30 days of receiving a complaint.

| <i>What information does the CAO have to make public?</i> | |
|--|--|
| What information does the CAO produce? | Do you have access to it? |
| Settlement agreements | If the parties agree. If they don't agree, some general information about the existence and nature of the agreement may be released by the CAO in a form acceptable to all parties. |
| Reports to president following ombudsman investigation | There is a presumption in favor of disclosure. The CAO may, however, only "contain a description of the problem raised, the process used and the outcome achieved, without identifying the parties, the project or its location. |
| Compliance audits | There is a presumption in favor of disclosure. However, if the determination of non-compliance regards non-compliance by the project sponsor and that determination is based on information provided by the project sponsor, then the sponsor will have to agree to the release of the audit |
| Annual reports | The guidelines do not specify, but the CAO draft communication strategy says they will be publicly available. |

These timeframes are described in discretionary terms in the guidelines – meaning that the CAO is not absolutely bound to adhere to these timeframes.

The other parts of the Ombudsman process do not have defined timeframes. As part of the assessment process, however, the CAO should develop a timeline for further progress on the complaint. The CAO should inform the complainant of this timeline following the assessment process (within 30 days of receiving the complaint). Once the complainant receives the assessment they should have a better idea of what the timeline will be for their particular complaint.

What can claimants expect from the Ombudsman Process?

The Ombudsman is still relatively new and aspects of the process are still being defined. Therefore it is difficult to say with certainty what claimants can expect from the process. Based on experience with the World Bank Inspection Panel, however, there are several things claimants can likely expect.

The CAO process could prove a valuable forum for those directly affected to voice concerns and to force the institution and the

IFC/MIGA supported development projects. A complaint should put pressure on IFC/MIGA to supervise projects more rigorously and on project sponsors to comply with IFC/MIGA policies and guidelines. In the World Bank Inspection Panel process, filing claims has also had valuable indirect effects by giving affected people a forum for raising their concerns and bringing international attention to problematic projects.

One possible result that should be carefully considered by anyone bringing a complaint is the possibility for reprisals. Complainants should carefully evaluate this risk. The CAO's office cannot protect complainants. Complainants can, however, request that their identities and other information submitted with their complaint be kept confidential. While international attention can help, in the case of Inspection Panel claims, this has often not been enough to deter retaliation.

The main power of the CAO is to make recommendations to the President. The President is not obliged to follow the recommendations of the CAO. There are a number of things that you *cannot* achieve by filing a complaint with the CAO. The CAO cannot award compensation to complainants.

Likewise, the CAO does not have the power to stop work on a project pending an investigation, nor does the CAO have the power to cancel a project.

What a CAO complaint may be able to do for complainants is to bring together the relevant parties to discuss the issues the complainant has raised in a meaningful way. Where local communities are having difficulty, for example, meeting with the project sponsor to raise concerns, the CAO may be able to help arrange a meeting between the project sponsor and the complainant. Bringing a CAO complaint also gives those directly affected by a project a forum for voicing their concerns about the social and environmental impacts of a project.

IV. Practical Considerations

Communicating with the IFC and MIGA & Documenting Concerns

When raising concerns to IFC or MIGA Staff, complainants should copy their correspondence to the CAO. When communicating with the IFC/MIGA, potential complainants should keep written copies of all correspondence and written summaries of all meetings and telephone conversations. After a meeting or telephone call with the IFC/MIGA or the project sponsor it is useful to follow up with a letter summarizing the key points of the meeting, and particularly any agreements reached or next steps agreed to.

Likewise, it is important to use all opportunities for public participation in the project cycle. This includes consultation on the EA in your country and commenting on the final EA released by the IFC at the World Bank InfoShop. Where you can identify problems in the project procedures, for example, if the project sponsor is not making the EA publicly available, you should inform the IFC. You should continually raise your questions and concerns. It is important to correspond with both the investment officer and the environmental or social specialist.

What else can you do to raise concerns and awareness about the impacts of a project?

- Contact the government agencies involved in the country where the project is located.

In addition to requiring compliance with IFC/MIGA policies, both institutions require that project sponsors comply with all national legislation in the countries where they operate. Project sponsors must get all the necessary permits and licenses and comply with government regulations. If they are not, then both the relevant government agencies and the IFC or MIGA should be notified.

- Find out what other institutions are involved in financing the project

Development projects usually have multiple sources of financing. Projects that IFC or MIGA are supporting may also have support from the World Bank, regional development banks – such as the InterAmerican Development Bank, the Asian Development Bank, the African Development Bank, or the European Bank for Reconstruction and Development – and the export credit agencies of the OECD countries. Export credit agencies are public agencies that provide government-backed loans, guarantees, and insurance to corporations from their home country that seek to do business overseas in developing countries. You can find more information on export credit agencies at <http://www.eca-watch.org/index1.html>

Other Accountability Mechanisms

Several other international financial institutions, including the World Bank, the Inter-American Development Bank, and the Asian Development Bank, also have accountability mechanisms. In cases where a project is receiving support from one or more of the institutions, these other accountability mechanisms are also available to you. This section gives a brief overview of these three mecha-

nisms, including where to find additional information.

- *The World Bank Inspection Panel*

The World Bank Inspection Panel is a quasi-independent body created by the Bank as a mechanism for holding the Bank accountable for violation of its policies and procedures. The Inspection Panel investigates claims brought by affected citizens, provided that the claim meets certain standards and assuming the Board of Executive Directors agrees to an investigation. In cases where the Bank has violated its policies or procedures and this violation has caused or is likely to cause harm, two or more adversely affected persons who share some common interests may file a Request for Inspection. After receiving such a request, the Inspection Panel follows a procedure for evaluating the Request and Management's response, and determining whether to conduct an investigation. The Panel submits its recommendation to the Board of Executive Directors, which is expected to support the Panel's determination of whether an investigation should proceed.

For more information about the panel, contact:

The Inspection Panel
1818 H Street, NW
Washington, DC 20433 – USA
Telephone: +1.202.458.5200
Fax: +1.202.522.0916
Email: ipanel@worldbank.org
<http://www.worldbank.org/inspectionpanel>

A Citizen's Guide to the World Bank

Inspection Panel also provides more information on the Inspection Panel and how to use it. To get a copy visit the CIEL web site at www.ciel.org/citizensguide.pdf or contact CIEL:

Emilie Thenard or Claudia Saladin
Center for International Environmental Law
1367 Connecticut Ave., NW Suite 300
Washington DC 20007
USA
Telephone: +1 202-78 5-8700
Fax: +1 202-785-8701
Email: info@ciel.org

- *The Inter-American Development Bank (IDB)*

The Inter-American Development Bank (IDB) has an Independent Investigation Mechanism modeled after the Inspection Panel, although it is significantly less independent than the Inspection Panel. The IDB mechanism relies on a “Roster of Experts” rather than a permanent panel. This means that there are no permanent members or staff. If a claim is received, and the bank determines that it should be investigated, they convene a panel from the roster. It also does not have a procedure for guaranteeing the anonymity of claimants. Under this mechanism a claim is filed with the Office of the President, who then forwards the claim to Management for a response. After receiving Management's response, the President makes a recommendation to the Board of Executive Directors as to whether a Panel should be convened. If the Board decides to convene a panel, they draw members from the Roster of Experts. The IDB mechanism was tested once without satisfactory result.

For more information about the IDB mechanism, contact:

The Inter-American Development Bank
1300 New York Ave., NW
Washington, DC 20577 USA
Telephone: +1.202.623.1000
Fax: +1.202.623.3096
<http://www.iadb.org/>

- *The Asian Development Bank (ADB)*

Like the IDB mechanism, the Asian Development Bank's investigation process relies on a Roster of Experts and has no procedure for guaranteeing the anonymity of claimants. The ADB mechanism has several features that impair its independence, including the fact that decisions on whether claims should be investigated are made by a standing committee (the Inspection Committee) of the Bank's Board of Directors. If an inspection is authorized, it would be conducted by a panel of experts drawn from a roster. The panel of experts would report to the Inspection Committee, which would forward the panel's report and its own recommendations to the Board of Directors. Claimants must specifically write to the President of the ADB raising points of concern before a claim can be filed. Only if the President or management fail to satisfactorily respond within 45 days can the claim-

ants file a request for inspection. For further information about the ADB inspection process contact:

Office of the Secretary
Asian Development Bank
6 ADB Avenue, Mandaluyong City
0401 Metro Manila, Philippines
Telephone: (63-2) 632-444
Fax: (63-2) 636-2481
Email: adbsec@mail.asiandevbank.org
<http://www.asiandevbank.org>

You can also receive more information on using this mechanism from:

Nurina Widagdo or Genevieve Gencianos
Bank Information Center
733 15th Street NW, Suite 1126
Washington, DC 20005
tel: +1 202.737.7752; fax: +1 202.737.1155
email: info@bicusa.org
<http://www.bicusa.org>

ⁱ Operational Guidelines for the Office of the IFC/MIGA Compliance Advisor/Ombudsman.

ⁱⁱ The other two parts of the World Bank Group – the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA) – lend to governments and are collectively known as the “World Bank”.

ⁱⁱⁱ IFC’s mission statement <<http://www.ifc.org/about/facts/mission/mission.html>>.

^{iv} For more information on the functions of both IFC and MIGA see Bank Information, Toolkits for Activists, issue 4 The International Finance Corporation and the Multilateral Investment Guarantee Agency. Available from the Bank Information Center and on their web site:

Bank Information Center
733 15th Street NW, Suite 1126

Washington, DC 20005

telephone: +1 202 737-7752; fax: +1 202 737-1155

email: info@bicusa.org

<http://www.bicusa.org>

^v MIGA’s Convention, art. 2.

^{vi} CAO Operational Guidelines para 4.4.4.