Compliance Advisor – Ombudsman (CAO) Policy Review
Scoping Report
November 22, 2025

I. Review Team's understanding of the Terms of Reference

A. CAO Policy Review Objectives

1. As part of the commitment to review the IFC/MIGA Independent Accountability Mechanism (CAO) Policy five years after it became effective, the Boards Executive Directors of IFC and MIGA ("the Boards") have commissioned the review team to conduct a focused review of the CAO Policy ("the Review") to support the Boards' discussions on any necessary adjustments to the policy. This Review will also provide one input to the *Task Force to Assist in the Integration of WBG Independent Accountability Mechanisms* (the "Task Force"). The deliverables will include (i)°this paper, outlining a detailed approach to the Review, including the methodology that will be used, (ii)°a draft report with preliminary findings and recommendations, and (iii)°a final report with findings and recommendations for CODE's consideration and the Boards' approval. The work will be carried out by a two-person Review team, Roland Michelitsch and Renosi Mokate, supported by Concentric Alliance.

2. The Review will be guided by a set of principles and will focus on five key areas. The following **Principles** will guide the Review:

- Improved effectiveness of the CAO Policy.
- No regression of policy and mandate while taking care to keep the strength of the CAO and not weaken accountability
- External stakeholder consultations
- Safeguard the independence of the CAO
- Enhance the CAO's leadership in the field
- Transparency and ensuring that all stakeholders are transparent about the process and decision-making

3. The Review will focus on **five Key Areas** outlined in the Terms of Reference, namely:

i. Financial Intermediary (FI) eligibility criteria
ii. Referrals/Deferrals of complaints to IFC/MIGA
iii. IFC/MIGA participation in the Dispute Resolution (DR) process
iv. Management Action Plans (MAPs)
v. Timelines

4. The terms of reference ("TOR") for the Review have identified detailed questions the Review is expected to address in five Key Areas. It is important to highlight that the Review will not cover the entire policy but focus on these five Key Areas.

5. The Review will produce options and recommendations regarding the five Key Areas. In case there are clear findings and recommendations emerging during the review which are relevant for other parts of the CAO Policy, the Review Team will also bring them up in its briefings and reports.

B. Review Process

6. The Review Team has already reached out to the Task Force and key internal stakeholders in producing this scoping report, namely the CAO's office, IFC management (in particular the Stakeholder Engagement and Grievance Response – SEGR – team), MIGA management and the Board's Committee on Development Effectiveness (CODE). The Secretaries' Office (SEC) has helped organize meetings, and CAO, IFC and MIGA have appointed lead contact persons to help the review team obtain the necessary documents and committed to facilitating access to key internal and external stakeholders, such as clients, complainants and civil society organizations (CSOs). The perspectives of both internal and external stakeholders are a material input to the review.

7. The Review will focus on the CAO complaints handled since the coming into force of the CAO Policy, i.e. since July 2021, in particular fiscal years (FY) 2022-2025, the "Review Period". For comparisons with the period prior to FY2022, the review team plans to mainly rely on already existing reports, which contain valuable information, for example:

- 2020 External Review of IFC/MIGA E&S Accountability, including the CAO's Role and Effectiveness
- 2023 CAO Evaluation of Dispute Resolution and Assessment Processes
- Annual CAO Reports

8. The Review team has, in the meanwhile, started to identify the "universe" of relevant operations for the Review, namely:

- FI Eligibility: There have been 16 complaints during the Review Period related to FIs; 11 were deemed eligible and 5 were deemed ineligible. The Review Team plans to review the eligibility determination for all 16 cases and review 2-3 selected cases in more depth.
- Referrals/Deferrals: There have only been 2 deferrals. The Review Team plans to review both in more depth. There have been 13 referrals during this period. The Review Team plans to conduct an overview of what happened in the referrals and review 2-3 cases in depth.
- IFC/MIGA participation in the DR process: There have been complaints in which IFC has been an observer in the DR process. The review team plans to provide an overview of the experience with IFC's participation and review 2-3 cases in more detail, The review team also intends to interview the mediators.
- MAPs: There have been 12 MAPs approved during the review period. The Review Team plans to provide an overview of these 12 MAPs and review 4-5 in more depth.

- Timelines: The Review Team plans to review the overall performance against, and adequacy of the timelines set in the CAO Policy[1] based on available documentation as well as through interviews with key stakeholders (e.g., CAO, IFC/MIGA staff, complainants, clients and CSOs), establish to what extent the timelines in the CAO Policy have supported predictability and responsiveness and whether any adjustments are needed.

9. The selection criteria for cases for in-depth review will include: (i) Suggestions by the CAO's office, IFC and MIGA; (ii) particular successful and challenging cases, and cases that exemplify important issues; (iii) accessibility of clients and complainants; (iv) to the extent possible, diversity (by region, sector, complaint type and outcome); and (v) coordination with the Task Force, to the extent possible. The Review Team will coordinate with the Task Force to avoid duplication of efforts and review the same cases to the extent possible.

C. Review Team's Outputs

10. The final product of the Review Team's work is a report that provides findings and recommendations for improvements to the CAO Policy and its implementation. Interim products include briefings on preliminary findings to key stakeholders – the CAO, IFC/MIGA, the Task Force and the Board and CODE, as well as draft reports that take into account the feedback from all actors, including external stakeholders such as civil society organizations, clients and complainants.

D. Review Team's Approach and Work Plan

11. For this Scoping Report, the Review Team has already reviewed and validated the scope of the review, which included reviewing background documentation[2], the five key areas and the review questions and sub-questions suggested in the TOR, which have been deemed broadly appropriate.

[1] Key timelines included in the CAO Policy include: Eligibility: Acknowledgment immediately after receipt; Eligibility screening within 15 days from acknowledgment, with up to 20 additional business days if clarifications are required, requiring notification; Assessment: Within 90 days of complaint eligibility, with an extension (requiring notification) of up to 30 business days; factual review and comment on the draft assessment report: 10 days. Dispute resolution: Interim monitoring updated every 6 months during dispute resolution monitoring; factual review and comment on the conclusion report (by IFC/MIGA management and the client): 10 business days. Compliance function: Appraisal: Compliance appraisal report within 45 business days of transfer to the compliance function, with up to 20 additional business days in exceptional circumstances; management and client response: 10 business days, with up to 10 additional business days in exceptional circumstances; Investigation: Circulation of the draft investigation report within one year of disclosure of the appraisal report; factual review and comment on the draft report: 20 business days for written comments; finalization of the investigation report: within 20 business days of receiving comments. Management Action Plans (MAPs): Within 50 business days of receiving the compliance investigation report; progress reports at intervals proposed by management or approved by the Board.

[2] Key reports reviewed to date include the 2020 External Review Report, the 2021 CAO Policy, the 2023 Evaluation of Dispute Resolution and Assessment Processes, various CAO Annual and Quarterly Reports, the FY25 Annual Report on IFC's Stakeholder Engagement and Grievance Response.

D.1 November 2025 – January 2026: Gather input and information on the 5 key areas

12. The next step is going to be the Document and Evidence Review, which includes reviewing relevant documentation (e.g., case-related reports, responses and memos, procedural guidance, implementation protocols, etc.) related to each focus issue. The Review Team will identify how the provisions have been applied in practice and any emerging patterns, gaps, or inconsistencies in implementation and areas for improvement.

13. Subsequently, the Review Team plans to select cases for more in-depth review (see above on Review Process), for which it will also consult with external stakeholders, in particular clients and complainants. Where relevant the Review Team may also reach out to relevant host country government agencies. It is expected that the CAO's office, IFC and MIGA – through the already identified counterparts – will make relevant documents available, will put the Review Team in touch with the relevant specialists and other relevant parties (e.g., complainants, clients and mediators). Where needed, the Review Team will rely on the World Bank Group's translation and interpretation services.

14. The Review Team will then analyze the information from the document review as well as the feedback received to identify operational or procedural challenges in implementing the relevant provisions for each focus issue. It will identify areas of deviations from the policy in practice, challenges, good practices, and highlight areas for clarification or enhancement of relevant policy provisions (and any related processes). The Review Team also plans to benchmark the CAO's current approaches in the five key areas, and in particular timelines, in the CAO Policy against the IAMs of comparable MDBs

15. While carrying out the review, the Review Team will maintain regular contact with the CAO's office, IFC and MIGA management, the Task Force and CODE. The Review Team plans to brief these key internal stakeholders about emerging findings and recommendations by the timeline suggested in the TOR, namely, end-January 2026.

D.2 January-February 2026: Develop findings and recommendations for discussion

16. The Review Team will then produce a draft report with findings and recommendations by the end of February, summarizing key observations for each focus issue, including stakeholder perspectives, implementation experiences, and any areas of ambiguity or inconsistency. Drawing on these findings, the review team will provide targeted, actionable recommendations aimed at clarifying or enhancing relevant policy language (and any related processes), bearing particularly in mind the principles of increasing CAO effectiveness and not weakening the existing policy and practice. The draft report will initially be provided to the CAO, IFC and MIGA and, after incorporating their feedback, to CODE and the Task Force.

D.3 March-April 2026: Hold public consultations on the draft Report

17. The Review Team will then revise the draft and seek input from external stakeholders during March-April 2026. Once the draft report and recommendations have

been reviewed by CODE and are cleared for consultation, we propose a thirty-day period for all internal and external stakeholders to submit written comments concerning the draft. In addition, we recommend holding about two external online consultations. We expect that the CAO, IFC and MIGA management as well as other World Bank Group corporate functions such as External Relations – EXC and Secretariat – SEC – will support the organization of these external stakeholder consultations, drawing on their experience with similar exercises, in particular the Task Force's external consultations, and will help set up an external website making the draft available and offer

translation and interpretation services as needed. The focus will be on the stakeholders' practical experiences, challenges, and suggestions for improvement.

4.1 May 2026: Produce final report for Board consideration

18. Taking into account feedback received from the public consultations, the Review Team will produce a final Report for the Board. At that time the Review Team will also provide a summary of the feedback received in the public consultations.