

# ACCOUNTABILITY AND OVERSIGHT

Getting accountability right is critical for IFC and our clients. IFC has taken several actions in recent years to allow us to better address negative impacts felt by communities. This year IFC launched a management level grievance response function where people affected by the environmental and social impacts of IFC projects may voice their concerns directly to IFC. IFC continued its journey toward greater accountability working with multiple stakeholders, including civil society organizations (CSOs), international financing institutions, clients, and independent accountability mechanisms (IAM) of multilateral development banks on the proposed approach to remedial action and responsible exit principles.

In addition to enhancing its accountability, IFC continues its journey toward greater transparency, recognizing that this is one of the most important actions we can take as a development institution to maintain the trust of our stakeholders and engage them in developing new solutions to complex development challenges. We remain focused on working with our peers to achieve greater

alignment in disclosure and reporting practices so that our stakeholders have accurate and up-to-date information on our projects and are informed about the mission and development impact of our work.

## Accountability

### OFFICE OF THE COMPLIANCE ADVISOR OMBUDSMAN (CAO)

People affected by the environmental and social impacts of IFC projects may voice their concerns to [CAO](#), the Independent Accountability Mechanism for IFC. Reporting to the Board of Executive Directors, CAO's mandate is to facilitate resolution of complaints in a fair, objective, and constructive manner, enhance environmental and social project outcomes, and foster public accountability and learning to improve IFC's environmental and social performance. CAO's Dispute Resolution function helps resolve issues between affected people and IFC clients using a neutral, collaborative, problem-solving approach. CAO's Compliance function carries out reviews of IFC's compliance with its environmental and social policies, assesses related harm, and recommends remedial actions where appropriate. Through its Advisory function, CAO provides advice to improve IFC's systemic performance on environmental and social sustainability. In FY24, CAO handled 65 cases related to IFC projects in 27 countries. During the year, CAO received 16 new eligible complaints, of which four were referred to IFC. CAO

closed seven cases — two after the assessment phase, one after monitoring a dispute resolution agreement, two after compliance appraisal where no merit was found for investigation, and two after compliance monitoring. During FY24, the Board approved four IFC Management Action Plans in response to CAO compliance investigations in [Egypt](#), [Kenya](#), [Myanmar](#), and [South Africa](#), respectively, which are being monitored by CAO. More information is available on [CAO's website](#).

## IFC'S MANAGEMENT LEVEL GRIEVANCE RESPONSE

External stakeholders can now submit E&S complaints directly to [IFC](#) if they believe an IFC project has or is likely to have adverse effects on them, their community, or their environment. This offers complainants an opportunity to engage with IFC and its clients to find solutions to their E&S concerns as quickly and efficiently as possible. Responding to E&S complaints raised by external stakeholders is critical to achieve positive E&S outcomes and to demonstrate IFC's commitment to accountability.

IFC's Direct Complaints Directive and Procedures were approved in February 2024, and IFC's external Direct Complaints [website](#) and portal to receive E&S complaints launched in March 2024. Translation into multiple languages is underway. In FY24, IFC has received 27 eligible Direct Complaints and manages cases in 12 countries.

IFC operates in a complex and dynamic environment and recognizes the important role that civil society organizations (CSOs) and other stakeholders play in advancing socially and environmentally responsible development. IFC is committed to proactive problem-solving and response to stakeholder complaints and concerns related to the E&S impacts of IFC's investments.

## INDEPENDENT EVALUATION GROUP (IEG)

The Independent Evaluation Group (IEG) is an independent unit that reports directly to the World Bank Group's Board of Directors. IEG's mission is to strengthen World Bank Group institutions through evaluations that inform strategies and future work — and lead to greater development effectiveness. IEG assesses the results of IFC operations and offers recommendations for improvement. IEG also contributes to internal learning by informing new directions, policies and procedures, and country and sector strategies. IEG's annual reviews of World Bank Group results and performance and of other major reports are available on IEG's website at <https://ieg.worldbankgroup.org>.

## Oversight GROUP INTERNAL AUDIT

The Group Internal Audit (GIA) Vice Presidency unit is an independent function reporting to the President and overseen by the Board's Audit Committee. Its assurance and advisory services help the Bank Group to more effectively serve clients.

In FY24, GIA's priority engagements included enterprise risk management; grievances, complaints and whistleblower channels; implementation of the Bank Group's Climate Change Action Plan; and management of real estate. GIA continued to advance its Country Assurance and Advisory Program and began developing its Ukraine Oversight Program. GIA partners with bilateral, multilateral, and development organizations to strengthen oversight in challenging contexts, including

in countries affected by fragility, conflict, and violence. For more information and the Group Internal Audit's annual and quarterly reports, visit [www.worldbank.org/internalaudit](http://www.worldbank.org/internalaudit).

## SANCTIONS SYSTEM

The World Bank Group's Sanctions System addresses allegations of fraud, corruption, collusion, coercion, and obstruction — collectively known as sanctionable practices — in Bank Group operations.

## INVESTIGATIVE

The **Integrity Vice Presidency** detects, deters, and prevents sanctionable practices by firms, individuals, Bank Group staff and corporate vendors. It investigates allegations of fraud, corruption, and other sanctionable practices; when these are substantiated, it pursues sanctions against external firms and individuals and provides its findings for human resources decisions on disciplinary actions against staff. The Integrity Vice Presidency also works to identify, monitor, and mitigate integrity risks in Bank Group operations, including lessons learned through its investigations.

## COMPLIANCE

The Integrity Compliance Office, an independent unit within the Integrity Vice Presidency, reviews the compliance posture of entities involved in the sanctions process and engages with those working to meet conditions for release from sanction.

## ADJUDICATIVE

The **Office of Suspension and Debarment** is led by the World Bank's Chief Suspension and Debarment Officer and provides the first level of adjudication in the Bank Group's Sanctions System. All sanctions cases that are not appealed to the Bank Group Sanctions Board are resolved based on the Chief Suspension and Debarment Officer's determinations, summaries of which are available to the public.

The **Sanctions Board** consists of seven members who are all external to the Bank Group. It serves as the final decision maker in all contested sanctions cases across the Bank Group and issues publicly available and fully reasoned decisions, which are not appealable.

In FY24, the Bank Group sanctioned eight firms and individuals through uncontested determinations of the Bank's Chief Suspension and Debarment Officer, decisions of the Bank Group Sanctions Board, and settlement agreements. It removed five entities from sanction. The Bank Group also recognized 20 cross-debarments from other multilateral development banks, and 29 Bank Group debarments were eligible for recognition by other multilateral development banks.

Beyond the mandate of the World Bank Group's Sanctions System, in FY24, INT investigated 66 cases of alleged fraud and corruption involving World Bank staff and corporate vendors, of which nine were substantiated.

For more information about the World Bank Group Sanctions System and its annual report, visit <https://www.worldbank.org/en/about/unit/integrity-vice-presidency>. To report suspected fraud or corruption in World Bank Group-financed projects, visit <https://wbgemsprod.microsoftcrmpartals.com/en-US/anonymous-users/int-fraud-management/create-new-complaint/?clear>.