



*The Independent Accountability Mechanism for IFC & MIGA*

## **CAO ASSESSMENT REPORT**

**Regarding the Third Complaint Received in Relation to IFC Investment and MIGA  
Guarantees in Benban Solar Park  
(IFC #37633, #40386, #40390, #37636, #37637, #39728, #37580, #40019, #37713, #37591,  
#39995, #39997, #39729 and  
MIGA #14043, #14059, #14080, #14516, #14517, #14518, #14519, #14520, #14521,  
#13956, #13952, #13971)**

January 2023

Office of the Compliance Advisor Ombudsman  
*for*  
the International Finance Corporation and  
the Multilateral Investment Guarantee Agency  
[www.cao-ombudsman.org](http://www.cao-ombudsman.org)

## **About CAO**

The Office of the Compliance Advisor Ombudsman (CAO) is the independent accountability mechanism of the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA), members of the World Bank Group. CAO reports directly to the IFC and MIGA Boards of Executive Directors. CAO's mandate is to facilitate the resolution of complaints from people who may be affected by IFC and MIGA projects in a manner that is fair, objective, and constructive; enhance environmental and social outcomes of projects; and foster public accountability and learning to enhance the environmental and social performance of IFC/MIGA and reduce the risk of harm to people and the environment.

For more information, see [www.cao-ombudsman.org](http://www.cao-ombudsman.org)

## **About CAO Assessments**

Any person who believes they may be harmed by an IFC or MIGA project can lodge a complaint to CAO. We apply three simple eligibility criteria to accept a complaint. For eligible complaints, we then conduct assessment of the concerns with the Complainant(s), project sponsor, and other relevant stakeholders. Once a complaint is determined to be eligible, we review the concerns raised in it. This assessment is conducted in consultation with the Complainant(s), IFC and MIGA client and project teams, and other relevant stakeholders.

## **Purpose**

The objective of the CAO assessment process is to develop a thorough understanding of the issues the complaint raises, work to understand all perspectives, engage with all key stakeholders to the complaint, consult with them to determine the process they choose to address the complaint, and consider the status of other grievance resolution efforts made to resolve the issues raised. The CAO assessment process does not entail a judgment on the merits of the complaint; rather, it seeks to understand the facts and empower those involved to make informed decisions on how to address the issues raised.

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**LIST OF ACRONYMS**

BSDA	Benban Solar Developers Association
CAO	Office of the Compliance Advisor Ombudsman
CLO	Community Liaison Officer
ESIA	Environmental and Social Impact Assessment
FMC	Facility Management Company
H&SH	Health and Safety Home
IAM	Independent Accountability Mechanism
IFC	International Finance Corporation
MIGA	Multilateral Investment Guarantee Agency

## OVERVIEW

In June 2022, CAO received a complaint from eleven former security guards (“the Complainants”) of SWAT, a subcontractor for the Benban Solar Park in the Arab Republic of Egypt. The former security guards indicated that they worked for Health and Safety Home (H&SH) from November 2020 until November 2021 and had since worked directly for Benban Solar Developers Association (BSDA) under 6-month contracts. The Complainants raised several labor issues, related to hiring practices, compensation, and intimidation to prevent them from raising their grievances. The complaint is related to labor conditions in 13 active projects by the International Finance Corporation (IFC)<sup>1</sup> and in 12 active projects supported by the Multilateral Investment Guarantee Agency (MIGA)<sup>2</sup> in the Benban Solar Park in Egypt (“the Project”).

In July 2022, CAO determined that the complaint met its three eligibility criteria and began an assessment of the complaint.

In accordance with CAO Policy (para. 169),<sup>3</sup> CAO shared the complaint with independent accountability mechanisms (IAMs) of other development financial institutions financing the projects, specifically the Independent Review Mechanism of the African Development Bank.

During CAO’s assessment, the former security guards and Benban Solar Park engaged in direct discussions to resolve the issues raised in the complaint. Based on the CAO policy (para 55)<sup>4</sup>, if the Parties consent, they may engage directly with one another during the assessment process to resolve the issues raised in the complaint. Such engagement may take place without the direct involvement of CAO.

During CAO’s assessment, the security guards, and Benban Solar Park resolved the issues raised in the complaint through direct engagement. Accordingly, the case will now be closed in accordance with the CAO policy. This report provides an overview of the assessment process, including a description of the project, the complaint, the assessment methodology, and the conclusion of the case.

## BACKGROUND

### 2.1 The IFC and MIGA Projects

IFC has been leading a consortium of nine international banks, which are providing \$653 million (\$225 million from IFC) for the construction of 13 of the 41 solar power plants that make

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<sup>1</sup> Projects 37633, 40386, 40390, 37636, 37637, 39728, 37580, 40019, 37713, 37591, 39995, 39997, 39729.

<sup>2</sup> Projects 14516, 14517, 14518, 14519, 14520, 14521, 13956, 14043, 13952, 13971, 14080, 14059.

<sup>3</sup> If CAO is aware that other organizations with IAMs have financed or guaranteed a project that is the subject of a complaint to CAO, CAO will notify those IAMs of the existence of the complaint, subject to the Complainant’s consent to this notice and applicable provisions to protect confidentiality.

<sup>4</sup> If the Parties consent, they may engage directly with one another during the assessment process to resolve the issues raised in the complaint. Such engagement may take place without the direct involvement of CAO. CAO’s assessment report will summarize the outcomes of such engagement. Where appropriate, and within the scope of their respective mandates and with the Parties’ consent, IFC/MIGA may support the constructive resolution of issues related to the complaint. Where the complaint issues are resolved, and subject to the Complainant’s consent, CAO will issue an assessment and conclusion report to close the case.

up the Benban Solar Park.<sup>5</sup> The Park is a 36 sq km plot composed of 32 operational power plants that are operated by different companies, near the village of Benban. MIGA is supporting 12 active projects in the Benban Solar Park. Of these 12 projects, 3 are financed by the IFC-led consortium and 9 by the consortium led by the European Bank for Reconstruction and Development.

The lenders include IFC, EBRD, the Asian Infrastructure Investment Bank (AIIB), the African Development Bank (AfDB), British International Investment (BII), Finnfund (Finland), the Industrial and Commercial Bank of China (ICBC), Europe Arab Bank, the Arab Bank of Bahrain, the Green for Growth Fund, Proparco (France), OeEB (Austria) and FMO (the Dutch entrepreneurial development bank).

All project developers have formed the Benban Solar Developers Association (BSDA) to manage the entirety of the Solar Park. BSDA hired a facility management company, Health, and Safety Home (H&SH), to manage the operation and maintenance of the Solar Park and address environmental and social (E&S) and other relevant issues for the entire park.<sup>6</sup> H&SH hired SWAT Security and Guards Company as a private security provider to provide security services to the Solar Park.

## **2.2 The Complaint**

In June 2022, CAO received a complaint from 11 former security guards of SWAT. They worked for H&SH from November 2020 until November 2021, then worked directly for BSDA under six-month contracts.

The Complainants raised several labor issues related to hiring practices, compensation, and intimidation to prevent them from raising their grievances.

The issues raised during the assessment are described in more detail below.

## **ASSESSMENT SUMMARY**

### **3.1 Assessment Methodology and Findings**

The aim of the CAO assessment process is to clarify the issues and concerns raised by the Complainant(s), gather information on the views of different stakeholders, and determine whether the Complainant(s) and the IFC/MIGA Client(s) would like to pursue a dispute resolution process facilitated by CAO, or whether the complaint should be handled by CAO's Compliance function for appraisal of IFC's and MIGA's performance (see Appendix A for CAO's complaint-handling process).

In this case, CAO's assessment of the complaint included:

- a desk review of project documentation
- telephone conversations with the representative of the Complainants
- virtual meetings with the representatives of BSDA

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<sup>5</sup> Benban Solar Park is subdivided into 41 separate plots (projects) assigned to different developers for the development of solar power plants, 32 of which are now operational, generating and transmitting electricity to the national grid.

<sup>6</sup> Other issues include security and crisis management, traffic and roads management, solid waste management, wastewater management, community liaison and communications, central facilities services and the H&SH oversight and governance.

- virtual meetings with IFC/MIGA project teams.

The assessment was conducted by the CAO team with the support of a local mediator based in Cairo. Due to restrictions on World Bank Group mission travel from end of October to November 2022 because of the COP 27 Climate Conference in Egypt, the team did not conduct an assessment trip to the project site. The local mediator communicated with the parties and collected information through in-depth telephone conversations.

This report summarizes the views heard by the CAO team from the parties and describes the next steps based on the decisions taken by the Complainant and Benban Solar Park.

## **3.2 Summary of Views**

### **Complainants' perspective**

The former security guards explained that H&SH as well as BSDA had terminated their contracts and then hired people from outside of Benban through personal connections and with no advertised vacancy. They also indicated that these people were given longer and better contracts. The Complainants indicated that their contracts had been terminated by the company without explanation. The Complainants also expressed fear of reprisals and stated that representatives of H&SH and SWAT had been telling them not to submit complaints to accountability mechanisms, and that if they did, they would be dismissed from their jobs.

During CAO's assessment, the Complainants informed CAO that they had met with the representatives of BSDA, and the issues raised in the complaint were addressed and consequently resolved with changes in supervisor and management. Additionally, the Complainants indicated that BSDA offered an apology to the Complainants about the termination of contracts and promised to hold the responsible person accountable. The Complainants also indicated that BSDA agreed to provide new contracts to all 11 Complainants. Additional conditions for annual leave were also added to the new contracts.

CAO independently confirmed the Complainants satisfaction with the outcome and resolution of the issues raised in the complaint.

### ***Clients' perspective***

BSDA, on behalf of Benban Solar Park Benban, explained that the issues raised in the complaint had been settled. BSDA indicated that finances had been allocated to the group. BSDA also stated that the Complainants were given one-year contracts. The Complainants worked in different plots at the Solar Park, and some had been hired by BSDA. BSDA confirmed that all workers at the Solar Park are given one-year contracts and the same practice was applied to the group.

## **ASSESSMENT CONCLUSION AND NEXT STEPS**

During CAO's assessment, the Complainants informed CAO that they had reached an agreement with BSDA to resolve the issues raised in the complaint. CAO confirmed the Complainants satisfaction with the agreement they made with BSDA. The case will be closed in accordance with CAO's Policy.

## APPENDIX A. CAO COMPLAINT-HANDLING PROCESS

Once CAO declares a complaint eligible, an initial assessment is carried out by CAO Dispute Resolution specialists. The purpose of CAO's assessment is to: (1) clarify the issues and concerns raised by the Complainant(s); (2) gather information on how other stakeholders see the situation; and (3) help stakeholders understand the recourse options available to them and determine whether they would like to pursue a collaborative solution through CAO's Dispute Resolution function or whether the case should be reviewed by CAO's Compliance function.

As per the IFC/MIGA Independent Accountability Mechanism (CAO) Policy,<sup>7</sup> the following steps are typically followed in response to a complaint that is received:

- Step 1: **Acknowledgment** of receipt of the complaint.
- Step 2: **Eligibility**: Determination of the complaint's eligibility for assessment under the mandate of CAO (no more than 15 business days).
- Step 3: **Assessment**: Assessing the issues and providing support to stakeholders in understanding and determining whether they would like to pursue a consensual solution through a collaborative process convened by CAO's Dispute Resolution function or whether the case should be handled by CAO's Compliance function to review IFC's/MIGA's environmental and social due diligence. The assessment time can take up to a maximum of 90 business days, with the possibility of extension for a maximum of 30 additional business days if after the 90-business day period (1) the Parties confirm that resolution of the complaint is likely; or (2) either Party expresses interest in dispute resolution, and there is potential that the other Party will agree.
- Step 4: **Facilitating settlement**: If the Parties choose to pursue a collaborative process, CAO's Dispute Resolution function is initiated. The dispute resolution process is typically based on or initiated by a Memorandum of Understanding and/or mutually agreed-upon ground rules between the Parties. It may involve facilitation/mediation, joint fact finding, or other agreed resolution approaches leading to a settlement agreement or other mutually agreed and appropriate goals. The major objective of these types of problem-solving approaches will be to address the issues raised in the complaint, and any other significant issues relevant to the complaint that were identified during the assessment or the dispute resolution process, in a way that is acceptable to the Parties affected.<sup>8</sup>

OR

**Compliance Appraisal/Investigation**: If the Parties opt for an investigative process, the complaint is transferred to CAO's Compliance function. The complaint is also transferred to the Compliance function when a dispute resolution process results in partial or no agreement. At least one Complainant must provide explicit consent for the transfer unless CAO is aware of concerns about threats and reprisals. CAO's Compliance function reviews IFC/MIGA's compliance with environmental and social policies, assesses related harm, and recommends remedial actions where appropriate following a three-step process. First, a compliance appraisal determines

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<sup>7</sup> For more details on the role and work of CAO, please refer to the IFC/MIGA Independent Accountability Mechanism (CAO) Policy: <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/889191625065397617/ifc-miga-independent-accountability-mechanism-cao-policy>

<sup>8</sup> Where stakeholders are unable to resolve the issues through a collaborative process within an agreed time frame, CAO Dispute Resolution will first seek to assist the stakeholders in breaking through impasse(s). If this is not possible, the Dispute Resolution team will inform the stakeholders, including IFC/MIGA staff, the President, and Board of the World Bank Group, and the public that CAO Dispute Resolution has concluded the dispute resolution process and transferred it to CAO Compliance for appraisal.



whether further investigation is warranted. The appraisal can take up to 45 business days, with the possibility of extending by 20 business days in exceptional circumstances. Second, if an investigation is warranted, the appraisal is followed by an in-depth compliance investigation of IFC/MIGA's performance. An investigation report will be made public, along with IFC/MIGA's response and an action plan to remediate findings of noncompliance and related harm. Third, in cases where noncompliance and related harm are found, CAO will monitor the effective implementation of the action plan.

Step 5: **Monitoring and Follow-up**

Step 6: **Conclusion/Case Closure**

