



*The Independent Accountability Mechanism for IFC & MIGA*

## **CAO ASSESSMENT REPORT**

**Regarding the Sixth Complaint Received in Relation to IFC Investments and  
the Fifth Complaint Received in Relation to MIGA Guarantees  
in Benban Solar Park in Egypt  
(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)**

March 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
H&SH	Health and Safety Home
IAM	independent accountability mechanism
IFC	International Finance Corporation
MIGA	Multilateral Investment Guarantee Agency

## OVERVIEW

The complaint is related to labor conditions in 13 active projects by the International Finance Corporation (IFC)<sup>1</sup> and 12 active projects supported by the Multilateral Investment Guarantee Agency (MIGA)<sup>2</sup> in the Benban Solar Park in the Arab Republic of Egypt (“the Project”). In September 2022, CAO received a complaint from a former employee (“the Complainant”) of Health and Safety Home (H&SH), a subcontractor for the Benban Solar Park. The former employee alleged that she had been unfairly dismissed from employment after she asked for clarifications over her responsibilities as a Community Liaison Officer when her contract was up for renewal; her contract with H&SH had not been renewed.

In October 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. The Complainant submitted the same complaint to the Independent Recourse Mechanisms of the African Development Bank and the Green Climate Fund.

During CAO's assessment, the Complainant and the Benban Solar Park representatives expressed an interest in engaging in a CAO dispute resolution process to address the issues raised in the complaint. In accordance with the CAO Policy, the complaint will now be handled by CAO's Dispute Resolution function.

This Assessment Report provides an overview of the assessment process, including a description of the project, the complaint, the assessment methodology, and next steps.

## BACKGROUND

### 2.1 The IFC and MIGA Projects

IFC is part of a consortium of 9 international banks that are providing \$653 million (\$225 million from IFC) for the construction of 13 of the 41 solar power plants that make up the Benban Solar Park.<sup>4</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 either equity sponsors or lenders, and in some cases both, in 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 (EBRD).

The lenders supporting projects within the park are IFC, EBRD, the Asian Infrastructure Investment Bank (AIIB), the African Development Bank (AfDB), the British International Investment (BII), Finnfund (Finland), the Industrial and Commercial Bank of China (ICBC),

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

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

<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> 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.

Europe Arab Bank, the Arab Bank of Bahrain, the Green for Growth Fund, Proparco (France), the Austrian Development Bank (OeEB), and FMO (the Dutch entrepreneurial development bank).

All the project developers have joined together to form 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>5</sup>

## **2.2 The Complaint**

In September 2022, CAO received a complaint from a former employee of Health and Safety Home (H&SH), a subcontractor for the Benban Solar Park in Egypt. The former employee alleged that she had been unfairly dismissed from employment and her contract with H&SH had not been renewed.

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 more on CAO's complaint-handling process).

CAO's assessment of the complaint included:

- A desk review of project documentation
- telephone conversations with the Complainant
- virtual meetings with the representatives of BSDA, on behalf of the Benban Solar Park and H&SH
- 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. The CAO team and the 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 BSDA.

### **3.2 Summary of Views**

#### ***Complainant's perspective***

The Complainant is a former employee of H&SH, who alleges having been unfairly dismissed from employment. She worked as a Community Liaison Officer for the company at the Benban

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<sup>5</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.

Solar Park from 2018 to 2020. With a team of four people, she handled project relations with the Benban community, provided training, and recruited locals to work on the project.

The complainant explained that from 2020 to September 2021, she worked for H&SH as a team leader of community communications. In September 2021, she received an email from H&SH's Human Resources (HR) division containing the Terms of Reference (TOR) of her new contract, which was set to start on September 24, 2021, but this document included no details about her responsibilities as an employee, only the responsibilities of the company as her employer. When she requested information about her rights and responsibilities under the new contract, H&SH did not respond; she instead received a dismissal letter, did not get to sign the new contract, and was not compensated. She raised grievances with H&SH and IFC regarding her dismissal and pending compensation.

The Complainant took legal action against H&SH before the Egyptian courts in September 2021, but this judicial process progressed very slowly according to her. IFC was called as a witness in this process. The Complainant has appeared against the first instance court decision.

She expressed interest in engaging with H&SH representatives in a dispute resolution process facilitated by CAO.

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

BSDA representatives, on behalf of the Benban Solar Park and H&SH, alleged that the Complainant had been lawfully dismissed from her position and had been fully compensated. They further indicated that in the judicial process initiated by the Complainant, the Egyptian court rejected her legal action and ruled in favor of H&SH. However, they indicated that they are open to engage in a mediation process facilitated by the CAO with the Complainant to address the issues raised.

## **ASSESSMENT CONCLUSION AND NEXT STEPS**

During CAO's assessment, both the Complainant and the Benban Solar Park representatives expressed an interest in addressing the issues raised in the complaint through a voluntary dialogue process convened by CAO's Dispute Resolution function. CAO will facilitate the process, including assisting the parties in preparing for dialogue, agreeing on ground rules and on the scope of the dialogue, and working together in a collaborative way to try to reach a resolution of the issues raised in the complaint and summarized in this assessment report.

## 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>1</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>2</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>1</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>2</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**

