



The Independent Accountability Mechanism for IFC & MIGA

CAO ASSESSMENT REPORT

**Regarding the First Complaint Received in Relation to IFC Investments 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

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

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 an 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 62 security guards (“the Complainants”) who work for SWAT Security and Guards Company and are currently subcontracted by Health and Safety Home (H&SH) to provide security to the main entrances of the Benban Solar Park in the Arab Republic of Egypt. SWAT is a subcontractor for the IFC and MIGA-supported projects. The complaint raised concerns about poor working conditions relating to quality of food provided, insufficient water, lack of working electricity generators despite the hot temperatures, lack of air conditioning on the buses used for transportation, and compensation practices. The complaint is related to labor conditions in 13 active projects by the International Finance Corporation (IFC)¹ and in 12 active projects supported by the Multilateral Investment Guarantee Agency (MIGA)² 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),³ 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 security guards and Benban Solar Park engaged in direct discussions to resolve the issues raised in the complaint. CAO policy (para 55)⁴ states that 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.

In the direct negotiations, the security guards and Benban Solar Park resolved the issues relating to insufficient water, lack of air conditioning on the buses used for transportation, and compensation. The issue relating to lack of working electricity generators was partially resolved as some gates still had generators in poor working condition. The issue regarding quality of food remained unresolved, and negotiations are still ongoing. Both parties expressed an interest in engaging in a CAO dispute resolution process to address the outstanding issues. 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.

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

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

³ 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.

⁴ 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.

On November 22, 2022, CAO extended the assessment period for 30 business days as per CAO Policy para. 56⁵, given that the Complainants and the Benban Solar Park representatives both expressed interest in a CAO-facilitated dispute resolution process. CAO notified the parties, IFC/MIGA and the Board of this extension and the relevant decision was published on the CAO website.

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 up the Benban Solar Park.⁶ 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 a consortium led by the European Bank for Reconstruction and Development (EBRD).

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), the Austrian Development Bank 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.⁷ 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 62 security guards who work for SWAT Security and Guards Company and are currently subcontracted by H&SH to provide security to the main entrances of the Benban Solar Park.

The complaint raised concerns about poor working conditions relating to the quality of food provided, insufficient water, lack of working electricity generators despite the hot temperatures, lack of air conditioning on the buses used for transportation, and compensation practices.

⁵ Paragraph 56 of the new CAO Policy (IFC/MIGA Independent Accountability Mechanism ([CAO Policy](#))) states that: "CAO will complete the assessment within 90 Business Days of the date it determines a complaint to be eligible. The CAO DG may extend the assessment timeframe by a period not exceeding 30 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. CAO will notify the Parties, IFC/MIGA, and the Board of the decision to extend the assessment, and CAO will post such decision on its website".

⁶ 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.

⁷ 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.

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 representatives of the Complainants
- virtual meetings with the representatives of BSDA
- 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, Egypt. 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 security guards and Benban Solar Park.

3.2 Summary of Views

Complainant's perspective

The Complainants are 62 security guards who work for SWAT Security and Guards Company at the Benban Solar Park. The group is represented by 4 elected representatives who are part of the group of Complainants and have permission to speak on the issues of concern with management and CAO regarding the complaint submitted to CAO. They are currently subcontracted by Health and Safety Home to provide security to the main entrances of the Solar Park.

They raised grievances related to poor working conditions such as the quality of the food provided, insufficiency of the water supply, lack of working electricity generators in spite of the hot temperatures, lack of air conditioning on the buses, and compensation practices. They indicated that the meals they were receiving were of low quality and below the standard acceptable to the security guards. They had proposed that they be paid a monthly allowance in lieu of the food that is provided by the company and indicated that they were asking for a reasonable allowance to help them prepare their own food.

To discuss such concerns, the security guards complied with BSDA's invitation to discuss their proposal directly with the BSDA before exploring the option of reporting such issues to CAO or other accountability mechanisms. They expressed concerns that the Company was asking them not to escalate the issues to CAO. The security guards had two meetings with the BSDA representatives as well as IFC representatives. The first meeting was on August 2, 2022, and

the second was on September 3, 2022. During the negotiations, the Complainants found the offer made by BSDA to replace the meal with a monthly allowance to be too low.

Later, they were informed by BSDA that replacing the meal with an allowance is not in conformity with Egyptian law, which requires that employers give a meal to employees located in remote areas. Accordingly, BSDA considered providing a salary increase instead of the allowance.

In follow-up calls with CAO, the security guards reported that as a result of direct negotiations with BSDA, the issue relating to insufficient water was resolved as they now each get 20 liters of water to use per day. The issue of lack of air conditioning on the buses used for transportation was resolved as the air conditioners were fixed. The issue relating to lack of working electricity generators was partially resolved. The security guards indicated that some gates still had generators in poor working condition. The issue of compensation and salary increases was partially resolved. BSDA had informed them that they would receive an exceptional 15% increase in December 2022 and the regular 7% increase in January 2023, but the increases had not been applied to their salaries yet. The issue regarding the quality of food remained unresolved. The security guards indicated that they had shared their proposals on the kinds of meals they would like with the BSDA for consideration. However, they are still awaiting a response.

The Complainants indicated their interest in a CAO facilitated dispute resolution process.

Clients' perspective

Benban Solar Park was represented by BSDA. BSDA explained that they were aware of the issues because they had been submitted to the Solar Park Grievance Mechanism. They were already engaged in discussions with the security guards on the issues raised in the complaint. They also confirmed that BSDA had convened two meetings with the security guards between August and October 2022 and met with the representatives of the Complainants and 15 people from the Complainants group.

Regarding the outstanding issue of food allowances requested by the security guards, BSDA indicated that this was linked to the discussions on a salary increase, which explained the delay in reaching an agreement. They explained that BSDA discussed this specific issue with the developers and the Labor Office. As to the quality of the food, BSDA is confident that it is up to standard and clarified that Egyptian law does not state what kind of food should be given to workers. They also stated that the security guards are given a weekly menu that is acceptable to and has been approved by the Labor Office. Further, BSDA confirmed that the Labor Office does not recommend substituting food with cash compensation, especially for workers located in remote areas. Consequently, the Labor Office rejected the proposal to replace the food with cash compensation.

However, BSDA was discussing an increase in security guard salaries as a way to address the issue of food allowances without violating labor laws. They added that BSDA's technical consultant and H&SH worked on the calculations for the rate of the salary increase and this suggested rate was discussed with all the developers. BSDA undertook the necessary steps to ensure that their decision remained consistent across Benban Solar Park to ensure equity for all workers holding similar positions.

BSDA agreed to increase the contract of H&SH and requested them, in turn, to increase the contract value of SWAT company so that a net increase could be given to the security guards. They committed to giving an annual salary increase of 15% in November and 7% increase

starting January 2023 which would be 22% (net) increase in total. The security guards accepted this salary increase.

Regarding the difference in salaries of security guards at the Solar Park, BSDA representatives explained that the other security guards were hired by developers and that each plot had its own security team. Hence, compensation differed.

In relation to BSDA telling the security guards not to file complaints with CAO or other accountability mechanisms, BSDA indicated that these comments were made to educate the workers about the Grievance Mechanism of BSDA and H&SH at the Solar Park. The intent was to encourage workers—the security guards in this case—to refer directly to these mechanisms before reaching out externally. They reiterated that the intention was not to intimidate the security guards or stop them from filing complaints with CAO.

Finally, BSDA had indicated their intention to address and resolve the issues raised in the complaint by the end of November 2022 and expressed interest in a dispute resolution process to address any pending and unresolved issues with the Complainants.

ASSESSMENT CONCLUSION AND NEXT STEPS

During CAO's assessment, the security guards informed CAO that the issues relating to insufficient water, and lack of air conditioning on the buses used for transportation had been resolved directly with BSDA on behalf of Benban Solar Park. The issues relating to lack of working electricity generators and the salary increase were partially resolved. The issue regarding quality of food remained unresolved. CAO confirmed the security guard's satisfaction with the resolution of the issues they reached agreement on, and CAO will monitor those agreements. Both the Complainants and BSDA on behalf of Benban Solar Park expressed an interest in addressing the remaining issue through a voluntary dialogue process convened by CAO's Dispute Resolution function. In accordance with CAO's Policy, the remaining issues will now be transferred to CAO's dispute resolution function.

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,⁸ 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

⁸ 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>

identified during the assessment or the dispute resolution process, in a way that is acceptable to the Parties affected.⁹

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 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**

⁹ 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.

