



The Independent Accountability Mechanism for IFC & MIGA

CAO ASSESSMENT REPORT

**Regarding the Fourth Complaint Received in Relation to IFC's Investments and
MIGA's 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) in Egypt**

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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 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.

TABLE OF CONTENTS

OVERVIEW 1

BACKGROUND 1

 2.1 The IFC and MIGA Projects 1

 2.2 The Complaint 2

ASSESSMENT SUMMARY 2

 3.1 Assessment Methodology and Findings 2

 3.2 Summary of Views 3

ASSESSMENT CONCLUSION 4

APPENDIX A. CAO COMPLAINT-HANDLING PROCESS

LIST OF ACRONYMS

BSDA	Benban Solar Developers Association
CAO	Office of the Compliance Advisor Ombudsman
CSR	Corporate Social Responsibility
H&SH	Health and Safety Home
IFC	International Finance Corporation
MIGA	Multilateral Investment Guarantee Agency

OVERVIEW

In June 2022, CAO received a complaint from a school teacher (“the Complainant”) from a village in the Benban area in the Arab Republic of Egypt. The complaint relates to 13 active projects by the International Finance Corporation (IFC)¹ and 12 active projects supported by the Multilateral Investment Guarantee Agency (MIGA)² in Benban Solar Park (“the Project”). The Complainant alleged that the Project representatives had visited the villages in the Benban area and had promised to provide a development plan for the villages, but no plan had been distributed and no consultation with the community had taken place.

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

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 case 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 has been leading 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.³ 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 (EBRD).

The lenders include 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), 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.⁴

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 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.

⁴ 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.

2.2 The Complaint

In June 2022, CAO received a complaint from a school teacher living in a village of Benban, located near the Benban Solar Park. The Complainant alleged that the Project representatives had visited the villages in the Benban area and had promised to provide a development plan for the villages, but no plan had been distributed and no consultation with the community had taken place.

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
- 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 because of the Climate Change Conference (COP27) in Egypt, the team did not conduct an assessment trip to the project site. 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 Benban Solar Park.

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

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".

3.2 Summary of Views

Complainant's perspective

The Complainant alleged that the Project representatives had visited the villages in the Benban area and promised to provide a development plan for the village, but no plan had been distributed and no consultation with the community had taken place. He acknowledged the development programs have already been implemented, including initiatives to provide food and development of a center to support carpet weaving, but also stressed that other issues important to the local community such as education, health, and sanitation are unaddressed. In regards with the health issue, he requested that BSDA supports the effort of the local community to build a health center with dialysis capability instead of providing dialysis equipment which is not being used by the local public hospital.

In addition, the Complainant stated that the Project's headquarters and grievance office are located 50 km away from the village, making the submission of grievances and subsequent interaction almost impossible for the community. He requested that BSDA establishes a grievance office within the Benban villages to allow direct communication with the community it aims to assist.

The Complainant also claimed that the Project has been bringing in outside labor for positions that could be filled by locals from the Benban area. He stated that trainings should be provided, especially to the local youth, in order to integrate villagers into the Project and offer them job opportunities.

During CAO's assessment, the Complainant mentioned having participated in the Public Hearing Session hosted by BSDA in September 2022 and stated that he had received explanation on the activities covered under the Project's Corporate Social Responsibility (CSR) plan, which he had not been informed of before he filed the complaint to CAO. However, he still thinks that BSDA should further consult with the community members of Benban villages and amend its community development plan in a way that is adapted to the long-term needs of the community. He therefore expressed an interest to participate in a CAO dispute resolution process and discuss ways to adapt BSDA's CSR to the local needs.

Clients' perspective

The Benban Solar Park hosted a Public Hearing Session in September 2022 inviting community members in the villages of Benban area to provide information on the scope of its CSR program and clarify the fields where the Project can support the communities. Around 40 percent of its CSR program relates to the promotion of education. Information shared with the communities included project details conducted so far and an overview of the planned projects to be implemented, covering the area of livelihood, education and health. Livelihood program covers the area of agricultural value-chain development, direct and indirect economic opportunities, employment creation, entrepreneurship, women's empowerment and livelihoods improvement. Education program covers the area of access to education, safe school facilities, girl's empowerment, access to water, students' cognitive and physical development, career guidance for students, awareness raising program and enhancement of solar energy education. Health program covers the area of access to healthcare services, the operation of a health center, improved public health, strengthened health system and the promotion of health awareness. BSDA answered the inquiries raised by community members and explained that Benban Solar Park will continue implementing its CSR projects covering the areas of livelihood, education and health, which will include all four villages in Benban area, and those CSR projects are expected to have a lifetime of more than 25 years.

In relation to the access to its grievance mechanism, BSDA representatives explained that its facility management company, H&SH is managing the grievance office and is open to any request or complaint the community members may have. The grievance officers visit the

villages of the Benban area regularly to communicate with the villagers and to make sure that the CSR projects are properly implemented.

The Benban Solar Park representatives expressed its openness to participate in a CAO dispute resolution process and discuss the concerns raised by the Complainant.

ASSESSMENT CONCLUSION AND NEXT STEPS

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 case will now be handled by 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,¹ 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.²

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

¹ 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>

² 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**

