

**INTERNATIONAL FINANCE CORPORATION**

**MANAGEMENT  
PROGRESS REPORT  
ON**

**IMPLEMENTATION OF THE  
MANAGEMENT ACTION PLAN  
FOR**

**ALEXANDRIA DEVELOPMENT LIMITED**

**EGYPT – AFRICA**

**(Project Nos. 27022 and 30274)  
Complaints 02 and 03 /Beni Suef**

**January 2025**

## I. MAP IMPLEMENTATION OVERVIEW

1. This Management Progress Report constitutes the International Finance Corporation (IFC) update on the implementation of the Management Action Plan (MAP) in response to the Compliance Advisor Ombudsman (CAO) Compliance Investigation Report of IFC's investment in Alexandria Development Limited (ADL or the Project) (Project Nos. 27022 and 30274). In 2010, IFC invested €80 million in ADL, a Titan Group holding company for its Egyptian operations, including both Alexandria Portland Cement Company (APCC) and Beni Suef Cement Company (BSCC) (together Titan Cement Egypt or TCE). This investment represented a 15.2 percent indirect equity exposure to the Beni Suef cement plant. IFC exited its indirect investment in APCC by selling its shares in Alexandria Development Limited (ADL) to Titan Cement International (TCI) in November 2019. The Project was subsequently closed and is no longer an active IFC project.

### A. MAP Implementation Status

2. In February and May 2017, the Office of the CAO received two complaints (ADL-02 and ADL-03) related to TCE's BSCC. Both complaints were filed by two local civil society organizations (CSOs), the Egyptian Association for Collective Rights (EACR) and the Egyptian Center for Civil and Legislative Reform (ECCLR), on behalf of former employees of BSCC (the Complainants) and were subsequently supported by the Bank Information Center. In August 2018, the CAO merged ADL-02 and ADL-03 and concluded that they merited a compliance investigation. CAO released its findings and recommendations in the final Compliance Investigation Report to IFC on March 31, 2023 (the CAO Investigation Report).
3. IFC's subsequent Management Report, dated June 15, 2023, included the adoption of a MAP, which committed IFC to "*engage with competent labor organizations and promote and facilitate the organization of a country-level workshop to discuss and understand the gaps, if any, between [IFC's] Performance Standards and Egyptian labor laws with respect to retrenchment practices, and understand how these might be addressed in future IFC projects.*"
4. IFC engaged with organizations with expertise in Egyptian Law and co-hosted the workshop with the International Labor Organization (ILO) in May 2024. The workshop convened close to 100 participants. Discussions addressed good international practices in labor management and the importance of implementing labor standards in private sector settings. Particular attention was given to managing transitions and retrenchments. Attendees included high-level government officials, workers' organizations, employers' organizations, and private sector employers - including IFC clients, officials from other MDBs and DFIs, and representatives of civil society and trade unions. The invitation-only workshop was a full-day event; the main sessions specifically focused on exploring the economic outlook in Egypt and the employer's perspective of the labor market; analyzing the synergies and differences between Egyptian Labor Law and International Standards, including labor rights at retrenchment; listening to the voices of workers' organizations, civil society, and policymakers; and sharing good international practice on labor

management. Egypt has ratified 64 ILO Conventions, with 57 of them already in force. ILO Convention 158 on retrenchment has not been ratified yet, although it was highlighted that the judiciary system does leverage ILO's Conventions (including #158) and other international guidelines to decide on various cases. One of the panel members (a retired judge) elaborated on several examples where C158 has been cited in court rulings. Formal ratification of Convention 158 would strengthen the alignment of retrenchment practices of companies operating in the country with international standards. The dialogue between participants and the knowledge shared by different stakeholders had been valuable; IFC considers that project teams working on future investments in Egypt and the region will benefit from the learnings of the statutory and international standards and practices discussed at the workshop for better screening, appraisal and monitoring of the investments and client's practice, as well as the implementation of a focused support for clients on labor issues, consistent with IFC's current approach to E&S risk management. The workshop summary has been shared with all relevant stakeholders including the office of the CAO.

## **B. Next Steps**

5. IFC has delivered the country-level workshop and is working to complete a training event for regional environmental and social (E&S) specialists to disseminate the results of the workshop. The training will focus on retrenchment and other key takeaways from the workshop and is planned for February 2025. The training event will be documented and the training material will be made available to the regional E&S teams and more broadly to all IFC E&S specialists. This will also be part of onboarding and periodic refresher trainings to relevant IFC teams. Delivery of the training was initially planned for Q1 FY2025. The date of the training has been postponed due to availability of E&S staff and plans to align this training with other ongoing initiatives to strengthen E&S staff knowledge and capacity in relation to PS2.
6. As part of IFC's continuous efforts to strengthen its approach to identifying and addressing labor risks in its projects, the learnings from the workshop will inform the screening, appraisal, and monitoring of the investments and client's practice, as well as the implementation of focused support for clients on labor issues, consistent with IFC's current approach to E&S risk management.

## **C. Conclusion**

7. IFC anticipates completing all MAP deliverables by February 2025 and will continue to engage with CAO to share all relevant information in the course of its compliance monitoring.
8. Deliverables completed to date and this conclusion underscore IFC's commitment to strengthen its approach to implementing its PS2 requirements across projects.

## II. UPDATE ON MAP IMPLEMENTATION ACTIONS

Area of Improvement	Action / activity	Responsibility	Deliverable / expected outcome	Timeframe	Status	Summary of Implementation
Engage with competent labor organizations with expertise on Egyptian labor law in order to support ongoing and new investments in Egypt. Focus on understanding and encouraging appropriate retrenchment practices among industry sectors, and on understanding the current state of E&S national law, its implementation, the degree to which PS2 aligns with such law,	Country-level Workshop and internal training. IFC will engage with competent labor organizations and will promote and facilitate the organization of a country-level workshop to discuss and understand the gaps, if any, between Performance Standards and Egyptian labor laws with respect to retrenchment practices, and understand how these might be addressed in future IFC projects. The workshop will inform IFC practice to strengthen screening,	IFC	1. IFC to prepare Workshop Brief and engage with organizations	By end of Q2 FY2024	Completed	November 2023 – April 2024: Preparation of the brief, consultation with ILO, IFC regional management and teams, internal reviews and engagement with CAO, logistics and other arrangements, invitations sent to interested parties, including government, private sector, CSOs and international organizations.
			2. IFC to host Workshop	By end of FY2024	Completed	On May 8th, IFC and ILO co-hosted the high-level workshop on “Labor Standards and Good International Practices in Labor Management” in Cairo, Egypt. The event convened close to one hundred participants. Discussions focused on good international practices in labor management and the importance of implementing labor standards in private sector settings. Particular focus was given to managing transitions and retrenchments.

Area of Improvement	Action / activity	Responsibility	Deliverable / expected outcome	Timeframe	Status	Summary of Implementation
and, where there are gaps in alignment, how these might be addressed.	appraisals, and monitoring of future investments in Egypt in addressing retrenchment when required.		3. IFC to hold Training Event for regional E&S specialists to disseminate results of Workshop	By end of Q1 FY2025	Delayed	

## **DISCLAIMER**

The IFC Management Progress Report is provided in response to the Investigation Report of the Office of the Compliance Advisor Ombudsman (CAO) relating to complaints of alleged non-compliance by IFC with its Performance Standards on Environmental and Social Sustainability in a project supported by IFC finance or investment.

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