

JOINT STATEMENT

Dispute Resolution Process Between Complainant and Karot Power Company Limited (KPCL)
CAO Complaint: [Pakistan: Karot Hydro-07/Jhelum River](#)

In August 2022, CAO received a complaint from the president of the Social Hydro Labor Union (SHU) in relation to IFC's investment in Karot Power Company Limited (KPCL), a special-purpose vehicle of the China Three Gorges South Asia Investment Limited, for the construction, operation and maintenance of a hydropower plant on the Jhelum River in Pakistan (IFC Projects # 36008, 34062). The complaint cited issues related to lack of access to the project site to carry out labor union activities and the company's role in facilitating the CBA referendum process.

The complaint was found eligible for assessment in August 2022. During the CAO assessment process, the Complainant and KPCL (the "Parties") expressed their interest in engaging in a voluntary CAO-facilitated dispute resolution process to address the issues raised in the complaint. The [Assessment Report](#) was published on CAO's website in May 2023.

On December 12, 2024, as a result of the voluntary dispute resolution process, the Parties reached and signed a full settlement agreement. Both Parties agreed that CAO will monitor implementation of the agreement until June 12, 2025. According to the agreement, the six-month period for CAO's monitoring of the agreement may be extended.