



*The Independent Accountability Mechanism for IFC & MIGA*

## **CAO ASSESSMENT REPORT**

**Regarding the Second 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](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
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 a driver (“the Complainant”) who had been employed in different roles (including as a fire truck driver, service driver, vehicle officer, maintenance officer, and firefighting team manager) by Health and Safety Home (“H&SH”), a facility management company at the Benban Solar Park in the Arab Republic of Egypt. The complaint worked since 2019 on the same project, but with a different employer. The Complainant is originally from the village of Benban, Egypt. The complaint raised concerns about labor management specifically the absence of a Labor Grievance Mechanism for H&SH, and nepotism in relation to benefits, promotions and salary increases. The complaint also raised issues regarding working conditions, quality, and quantity of the food. The complaint also raised concerns of retaliation for requesting raises or filing complaints. The complaint is related to labor conditions in 13 active projects by the International Finance Corporation (IFC)<sup>1</sup> and in 12 active projects supported by the Multilateral Investment Guarantee Agency (MIGA)<sup>2</sup> 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),<sup>3</sup> 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 Complainant and Benban Solar Park expressed an interest in engaging in a CAO dispute resolution process. In accordance with the CAO policy (para 59)<sup>4</sup>, 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.

On November 22, 2022, CAO extended the assessment period for 30 business days as per CAO Policy para. 56<sup>5</sup>, 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.

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

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

<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> During the assessment process, the Complainant, and the Client and/or Sub-Client decide whether they would like to initiate CAO’s dispute resolution or compliance function. If both Parties agree to undertake dispute resolution, CAO will facilitate this process. If there is no agreement, the complaint will proceed to CAO’s compliance function

<sup>5</sup> 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”.

## **BACKGROUND**

### **2.1 The IFC and MIGA Projects**

IFC has been leading a consortium of 9 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.<sup>6</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 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), 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 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.<sup>7</sup> 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 an individual who had been employed by H&SH, a facility management company that was contracted by Benban Solar Park. The Complainant is originally from the village of Benban. The complaint raised concerns about labor management: specifically, the absence of a Grievance Mechanism for H&SH, and nepotism in relation to benefits, promotions, and salary increases. The complaint also raised issues regarding working conditions, and the quality and quantity of the food, as well as concerns about retaliation for requesting raises or filing complaints.

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

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<sup>6</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.

<sup>7</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 and governance.

whether the Complainant(s) and the IFC/MIGA Client 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 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. 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 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.

## **3.2 Summary of Views**

### **Complainant's perspective**

The Complainant indicated that he was employed by H&SH in November 2020 but had been working at the project since 2019 under a different employer. He indicated that he was investigated and dismissed by H&SH due to absence in April 2022 without prior warning, after which he filed a complaint with the Labor Office. He returned to work in May 2022. The Complainant indicated that he felt marginalized by the Company in his role as a car fleet officer. He submitted two internal complaints to the management of the Solar Park in June 2022 and one to CAO. The first complaint concerned a request for an adjustment of his salary and the meal allowance. The second complaint was lodged against an official at the Solar Park who insulted him and his colleagues. The Complainant indicated that for more than 10 days his complaints were addressed even after he asked the Grievance Officer to elevate his complaints to the consultancy company that handles grievances. After reverting to H&SH management, he was informed that there would be a meeting in this regard. Thereafter, he submitted a complaint to CAO in June 2022.

During an initial call with CAO, after his return to employment in May 2022, the Complainant indicated that he had six months left in his contract and that he had been suspended from work until the expiration of his contract. The Complainant also mentioned that, as a member of the Benban community, and in that capacity, he had previously written a Facebook post in response to a meeting between H&SH and the village of Benban, where he expressed his opinion about the meeting between the company and the villagers. As a result of this action, he was told by company representatives that he had no right to complain about the company with internal or external authorities, and that he could either continue working in the water and sanitation section or resign.

In June 2022, the Complainant met with H&SH representatives, but his issues were not resolved. The Complainant also indicated that he received threats at the meeting. After approaching the Grievance Officer again, he found out that his complaint had not been shared with the consulting company that was supposed to address the grievances. A decision was issued in June 2022 to transfer him to the Water and Sanitation Department to work in this department. He reported that he perceived this transfer as retaliation for raising concerns. Following this transfer, the Complainant indicated that he went to the Government Labor Office

and submitted a complaint regarding his suspension from work and transfer to the Water and Sanitation Department. In addition, he filed an internal grievance with H&SH's grievance mechanism contesting his suspension and the transfer decision. However, he did not receive a response.

In July 2022, the Complainant indicated that he received an email from the director of Human Resources at H&SH. The director informed him that all his complaints had been transferred to the Government Labor Office, and that Human Resources (HR) was prohibited from dealing with his complaint. He was also informed that his presence in the company's headquarters, workplaces, and the Benban Solar Project was now prohibited. In the same email, he mentioned that his suspension from work was confirmed on June 23, 2022, because the Human Resources department wanted to send him to the Water and Sanitation Department, and he refused to take the new job. The Complainant indicated that he thought the decision was taken to pressure him to withdraw the complaint.

The Complainant also explained that H&SH communicated in a WhatsApp group, his appointment as the responsible individual for the operation, organization of work and leave within the fireteam. However, there was no change in compensation and terms of his contract to reflect the additional responsibilities associated with this role, hence the Complainant felt that the company did not keep its promise. Rather, the company terminated his contract, and he was forced to leave.

The Complainant reported that he had a meeting with H&SH and received an apology from the head of health and safety at the company, which he did not accept.

The Complainant informed CAO that his current contract would end on November 23, 2022. Since he did not see the possibility of resolving the issue with the company, he decided to look for another job in a different company.

Nevertheless, he indicated his preference to resolve the issue through a CAO facilitated dispute resolution process.

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

BSDA, on behalf of Benban Solar Park, explained that if termination of an employment contract was warranted, it was always done correctly. BSDA provided documentation to CAO detailing the case of the Complainant and reiterated that there was no retaliation made against the Complainant. The document also stated that he had committed violations that could negatively affect other employees, delay emergency services and/or lead to risks associated with him not following Quality, Health, Safety and Environment (QHSE) instructions.

BSDA stated that all documents and legal actions were undertaken according to Egyptian labor law and followed BSDA's internal policies and regulations. Further, all documents had been shared with the Labour Office as his grievance was transferred to the legal authority. BSDA indicated that the Complainant would continue to be on the payroll until November 23, 2022.

BSDA expressed their willingness to meet with the Complainant and review his concerns in a CAO facilitated dispute resolution process.

### **ASSESSMENT CONCLUSION AND NEXT STEPS**

During CAO's assessment, both the Complainant and Benban Solar Park 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 whether further investigation is warranted. The appraisal can take up to 45 business

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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.

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**

