



The Independent Accountability Mechanism for IFC & MIGA

JULY 2026

Assessment Report

Regarding Colombia: Troncal del Magdalena II (TM2)

IFC Project number: 48172

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. We work to facilitate the resolution of complaints from people affected by IFC and MIGA projects in a fair, objective, and constructive manner; enhance environmental and social project outcomes; and foster public accountability and learning at IFC and MIGA.

CAO is an independent office that reports directly to the IFC and MIGA Boards of Executive Directors. For more information, see <http://www.cao-ombudsman.org/about-us>.



List of Acronyms

ANI	National Infrastructure Agency
ARG	Autopista del Río Grande S.A.S
CAO	Office of the Compliance Advisor Ombudsman
ESPAG	IFC's Environmental and Social Policy Accountability and Grievances
IFC	International Finance Corporation
IDB	Inter-American Development Bank
INCODER	Colombian Institute for Rural Development
MICI	Independent Consultation and Investigation Mechanism (Inter-American Development Bank)
MIGA	Multilateral Investment Guarantee Agency
TM2	Troncal del Magdalena II

1. Executive Summary

In March 2026, CAO found eligible a complaint submitted by a family affected by the Troncal del Magdalena II (TM2) project, concerning highway infrastructure activities associated with the construction and expansion of the project between Sabana de Torres–Curumaní corridor, in the departments of Santander and Cesar, Colombia. The complaint raises concerns regarding the land acquisition process for project implementation, including decisions related to land restitution and the legal obligations arising therefrom; compensation for land, improvements, and productive assets; economic displacement and loss of livelihoods; payments made to unauthorized occupants of the property; and access to information, transparency, and participation in project-related processes. During CAO's assessment process, the parties did not agree to participate in a CAO-facilitated dispute resolution process; therefore, and in accordance with CAO Policy, the case will be transferred to CAO's Compliance function.¹

2. Background

2.1. The Project

The Troncal del Magdalena II (TM2) project is located along Colombia's Magdalena River corridor, a strategic transport route connecting the country's interior with the Atlantic coast and supporting the movement of people and goods, access to markets, and regional economic development. The region has also been affected by Colombia's internal armed conflict, including forced displacement, land dispossession, and the abandonment of rural properties.

Prior to the current TM2 concession, National Infrastructure Agency (ANI) had awarded the concession to Ruta del Sol, which was responsible for developing the Ruta del Sol II project. That contract was terminated in early 2017, when construction was reportedly about 52 percent complete (data as of December 31, 2016). As a result, the TM2 project is now primarily brownfield, including inherited infrastructure and land acquisition processes initiated under the prior concession, as well as past, ongoing, and new land acquisition and construction activities.

In 2022, Colombia's ANI awarded the TM2 concession to Autopista del Río Grande S.A.S. (ARG), a joint venture owned by KMA Construcciones S.A. of Colombia and Ortiz Construcciones y Proyectos S.A. of Spain, each with a 50 percent ownership interest. Structured under Colombia's 5G public-private partnership program, the project covers approximately 272 km along the Sabana de Torres - Curumaní corridor, crossing Santander, Cesar, and a small portion of Norte de Santander. The project will expand and enhance a 522 km stretch of road, adding new lanes and improving existing ones to prevent congestion and accommodate traffic growth. It includes the construction of 367 km of new lanes and the improvement of 233 km of existing lanes, along with 18 bypasses and 16 bridges, which will reduce travel times by 13-15 percent. The concession period goes up to 25 years.

In March 2024, the International Finance Corporation (IFC), a member of the World Bank Group, approved an investment of up to COP 661,500 million, approximately US\$135 million,² in

¹ IFC and MIGA Independent Accountability Mechanism (CAO) Policy. CAO. <https://www.cao-ombudsman.org/policies-guidelines>

² While this was the amount approved by IFC's Board, the actual amount committed was COP410,142 million (approx. US\$111 million)

Autopistas del Rio Grande (ARG), the concessionaire responsible for executing TM2 project. IFC's investment forms part of a broader financing structure involving multiple lenders, including IDB Invest, CAF (Development Bank of Latin America and the Caribbean), Bancolombia, J.P. Morgan Securities PLC, Sumitomo Mitsui Banking Corporation, Mitsubishi UFJ Financial Group, and Financiera de Desarrollo Nacional. The total project cost is estimated at COP 3.6 billion, approximately US\$911 million. The investment supports project development, operations, and maintenance, as well as the Colombian government's infrastructure development strategy and the World Bank Group's objectives of enhancing connectivity, promoting inclusive economic growth, and increasing private sector participation in infrastructure.

IFC has classified the project as Category A due to the potential for significant environmental and social risks, particularly those associated with land acquisition and resettlement. The project is expected to affect a substantial number of properties and households along the right-of-way, including both previously acquired and yet-to-be-acquired parcels.

2.2. The Complaint

On March 4, 2026, CAO received a complaint concerning a property affected by the construction of a highway as part of the TM2 Project in Colombia. The complaint was submitted directly by the family that owns the property, located in Vereda Caño Sucio, Municipality of Pelaya, Department of Cesar, Colombia.

The complaint raises concerns related to: (1) property rights and historical occupation of the property; (2) economic displacement, loss of productive assets, and compensation; (3) exclusion from resettlement planning and consideration of vulnerability; (4) inadequate access to information, transparency, and participation in project-related processes; and (5) institutional responses to their claims and the lack of action taken by different institutions. These concerns are detailed further in the Complainants' Perspective section.

CAO found the complaint eligible on March 27, 2026, and initiated its assessment process on March 30, 2026. The complaint was also submitted to IDB Invest's Independent Consultation and Investigation Mechanism (MICI) in December 2025. Following MICI's Consultation Phase, the case was transferred to MICI's Compliance Review Phase³.

3. Assessment Purpose and Methodology

3.1. Assessment Purpose

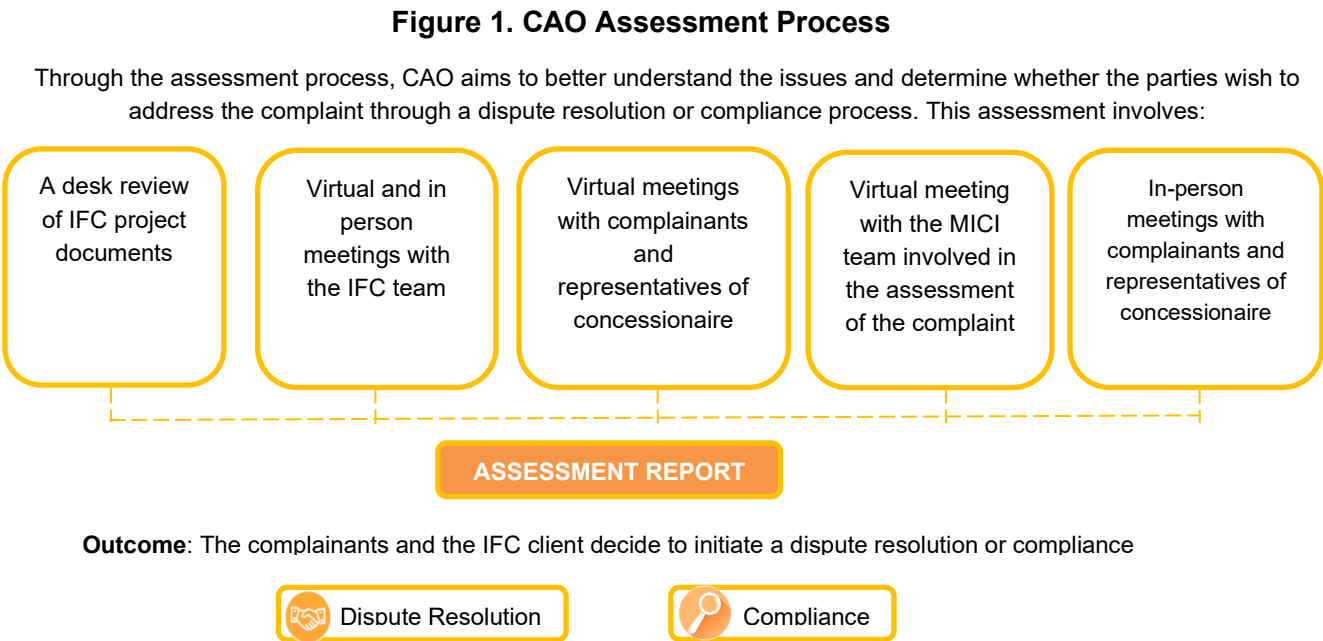
The aim of the CAO assessment process is to develop a thorough understanding of the issues and concerns raised by the complainants, gather information on the views of different stakeholders, and determine if the complainants and the IFC client would like to pursue a dispute resolution process facilitated by CAO or if the complaint should be handled by CAO's Compliance function to conduct an appraisal of IFC's environmental and social performance (see appendix A for CAO's complaint-handling process).

³ See MICI website at <https://mici.iadb.org/en/cases/MICI-CII-CO-2025-0262>.

The process does not involve judging the merits of the complaint. Instead, it seeks to understand the parties’ perspectives and empower those involved to make informed decisions on how to address the issues raised.

3.2. Assessment Methodology

Figure 1 illustrates the approach and methodology of CAO’s assessment process.



The assessment was conducted by the CAO team, comprising members of the Dispute Resolution and Compliance functions, with the support of local interpreters based in Colombia. The CAO team communicated with the complainants and the IFC client (the concessionaire) and collected information through online and in-person conversations.

4. Complainants’ Perspective

The complainants state that they purchased the property in 1985 and invested in land preparation, improvements, and productive activities, including planting trees and crops. According to the complainants, by the early 1990s, the security situation in the area had deteriorated due to the presence and activities of the Colombian far-left guerrilla group National Liberation Army (ELN), including attacks against infrastructure and increasing territorial control. They report that this context created conditions of insecurity that affected landowners and rural communities, disrupted agricultural and other productive activities, and led many families to leave their properties.

The complainants indicate that they were among those affected and that, in early 1991, they were forcibly displaced from the property. The complainants state that, before their displacement, the property had been developed for agriculture, livestock, and other productive activities through investments made by the family over several years. According to them, these investments included crops, fruit, coconut and palm trees, livestock activities, and a timber plantation, and related improvements. They state that, although they were unable to return to or occupy the

property for many years, they continued to pay property taxes and meet their financial obligations related to the land. The complainants further indicated that the property remained occupied by unauthorized occupants until their ownership rights were formally restored through a land restitution judgment issued by the Court in 2016.

The property is located within the area of influence of the Troncal del Magdalena II Project (formerly Sector 2 of the Ruta del Sol concessionaire). The complainants allege that eight percent of their property was used for the project without adequate recognition of their rights as the legitimate owners. They contend that the previous concessionaire, Ruta del Sol, occupied the property and undertook project work while precautionary measures imposed as part of the land restitution proceedings remained in effect, preventing the acquisition of the strip of land required for the road project to proceed. They further state that compensation for agricultural improvements and investments that, according to the complainants, were made by the family, was paid to the occupants rather than to them⁴. According to the complainants, this resulted in the loss of productive assets, crops, structures, and livelihood opportunities, and they maintain that they have not received compensation at full replacement cost.

According to the complainants, the concerns raised in the complaint arise from a series of events relating to the property's ownership, land restitution process, and subsequent land acquisition for the Project. The chronology below summarizes the principal events described by the complainants and reflected in the documentation reviewed by the CAO during the assessment.

Date	Key Events
1985	The complainants purchased and registered the property.
1991	The complainants were forcibly displaced from the property in circumstances they attribute to the ELN, within the broader context of Colombia's internal armed conflict.
2009	According to the complainants, they initiated land restitution proceedings. Through Resolution No. 2813 of 2009, the private ownership rights over the property were declared extinguished in favor of the State, and INCODER was registered as the owner of record.
2010	The National Concessions Institute ⁵ signed the concession agreement with Ruta del Sol (previous concessionaire) for the development of the highway.
2012	The complainants registered the property with the Colombian Registry of Dispossessed and Abandoned Lands. INCODER declared the property abandoned.
2013 -2014	The Colombian Land Restitution Unit issued a preliminary protection measure over the property, which was subsequently registered in March 2014. The previous concessionaire, Ruta del Sol, paid compensation for improvements to non-authorize occupants. Ruta del Sol constructed the road using property land.

⁴ During this period, the Colombian Institute for Rural Development (INCODER), successor to INCORA, issued Resolution No. 2813 of December 21, 2009, declaring the extinction of private ownership rights over the property in favor of the Nation. The 2016 land restitution judgment subsequently declared this resolution null and void, along with all subsequent administrative acts and private legal transactions relating to the property and recognized the complainants as victims of the Colombian armed conflict.

⁵ Currently, the National Infrastructure Agency (ANI).

October 31, 2016	A judicial decision under Colombia's land restitution framework recognized the complainants as the lawful owners of the property and as victims of forced displacement entitled to restitution under Law 1448 of 2011 (Victims and Land Restitution Law) ⁶ . According to the complainants, the judgment also: (i) ordered the developability of the remaining area affected by Ruta del Sol Sector 2 be determined and, if developable, that the property be restored both legally and physically to the complainants; (ii) declared that five contracts executed between 2001 and 2009 concerning the property with unauthorized occupants were legally nonexistent; (iii) ordered the Land Restitution Unit's Fund for the Management of Dispossessed Lands to pursue compensatory damages for the strip of land acquired for the road project, thereby establishing a judicially mandated compensation mechanism for the portion of the property acquired for the execution of the project, among other matters; and (iv) declared Resolution No. 2813 of December 21, 2009, null and void, together with all subsequent administrative acts and private legal transactions relating to the property.
2017	Ruta del Sol concession contract was terminated, and the property was formally restituted to the complainants.
2022	ANI awarded the new concession contract to Autopista del Río Grande (ARG) for the project named Troncal Magdalena II (TM2).
2023 - 2025	The new concessionaire, ARG, resumed the land acquisition process. According to the complainants, discussions regarding ownership, inventories, appraisal, compensation, and representation did not resolve the issues raised.
2024	IFC approved an investment for the TM2 project. A joint inventory site visit involving the concessionaire and the complainants. A family member participated under limited authorization to represent the property owner.
2025	Security incidents, including an ELN-related incident in the project area, were reported. According to the complainants, they were informed that they had been classified as "low-impact absentee owners" and were not included in the Resettlement Action Plan or livelihood restoration programs.
January–February 2026	The concessionaire conducted a property appraisal covering the affected land, current vegetation, assets, and improvements. The concessionaire prepared the property appraisal, and ANI subsequently approved it.
March - April 2026	The complainants submitted complaint to CAO. The concessionaire issued a formal purchase offer to the complainants. The offer provided a 15-working-day period for acceptance, rejection, or objections and was also published on the ANI and TM2 websites. The land process advanced to expropriation proceedings.
May - June 2026	According to the complainants, contempt proceedings were initiated concerning the implementation of the 2016 judgment, and the Court notified

⁶ The Victims and Land Restitution Law provides an avenue for internally displaced persons and victims of internal armed conflict to seek comprehensive reparations, including the restitution of dispossessed lands, material rehabilitation, and right to know the truth.

ANI and the concessionaire to comply with the judgment or explain any non-compliance.

The complainants allege that they have experienced economic and social harm related to the project's highway infrastructure activities affecting their property. Their concerns are summarized below.

Property Rights, Restitution, and Historical Occupation of the Property

Despite the judicial recognition of their ownership rights and the restitution of the property, the complainants state that neither the previous nor the current concessionaire has adequately recognized their status as restituted owners. According to the complainants, the land acquisition process has not sufficiently considered the circumstances surrounding their displacement, the land restitution proceedings, or the investments and productive improvements established by the family prior to their displacement.

The complainants further contend that land acquisition-related activities undertaken by the previous concessionaire, Ruta del Sol, continue to affect the current acquisition process. They state that compensation for assets and improvements was paid to unauthorized occupants that were on their property while the family remained displaced. According to the complainants, these historical circumstances should not affect the recognition of their ownership rights or the appraisal of their property, improvements and productive investments under the current land acquisition process.

Economic Displacement, Loss of Productive Assets, and Compensation

The complainants allege that the project has resulted in economic displacement by limiting their ability to access, use, and benefit from the property over an extended period. They contend that the use of the land for the project, together with the occupation of the property by third parties, deprived the family of its economic use and benefits for many years without compensation. They further state that these circumstances have prevented them from fully restoring the property's productive use following restitution.

The complainants further state that the project has caused the loss or destruction of productive assets established through long-term family investments. According to the complainants, the affected area included agricultural land, nurseries, irrigation infrastructure, water reservoirs (jagüeyes), fences, livestock corrals, buildings, fruit and timber trees, crops, and other improvements. They state that the strip acquired for the Ruta del Sol II Project exceeded eight hectares and that the assets identified in a 2013 land survey included more than 3,000 trees, a dwelling of approximately 49 square meters, sheds, ponds, fences, corrals, and other infrastructure. They maintain that 2024 inventory relied primarily on satellite imagery and historical photographs, which in their view, left some improvements and productive assets unaccounted for.

The complainants also raise concerns regarding the compensation process and appraisal of the property. They state that they have not received compensation at full replacement cost for the land, productive assets, and improvements affected by the project. The complainants indicate that they became aware of the March 2026 formal purchase offer through the current concessionaire's website rather than through direct notification. They also questioned the appraisal methodology, indicating that they were not provided with sufficient information to understand the basis of the appraisal or to participate effectively in the inventory and appraisal process.

Resettlement, Livelihood Restoration, and Consideration of Vulnerability

The complainants indicated that they were not identified as project-affected persons, included in the socioeconomic characterization or project social baseline, or incorporated into the Resettlement Action Plan (RAP) developed in 2025, or Livelihood Restoration Plan. According to the complainants, the concessionaire classified the family as “low-impact absent owners”, a categorization they understand to be the basis for their exclusion from these processes and programs. They further indicate that they were not notified of this categorization, the cut-off date for the census process, or their exclusion from the RAP and livelihood restoration programs, and that they were not invited to participate in the socioeconomic characterization or consultation processes. They contend that, as a result, the project's impacts on their livelihoods and productive activities were not adequately assessed or addressed through compensation or livelihood restoration measures.

The complainants also allege that neither the previous nor the current concessionaires adequately considered their circumstances as victims of forced displacement and beneficiaries of land restitution, as established by the 2016 judicial ruling. According to them, this ruling recognized the members of the family as victims of displacement and the internal armed conflict entitled to special protection under Colombian law. In this context, they maintain that their vulnerability was not adequately reflected in the project's social assessment, impact identification, or the design of compensation, resettlement and mitigation measures.

Access to Information, Transparency, and Participation

The complainants allege that they were not adequately informed about the land acquisition process, including the applicable procedures, the appraisal methodology, the eligibility determination process, and compensation proposal. They further indicate that they participated in inventories, site visits, meetings, and email exchanges with the current concessionaire and ANI, during which they shared information regarding historical improvements and productive assets on the property. However, they maintain that these engagements did not provide meaningful opportunities to address their concerns or participate effectively in decisions affecting the property. They further state that communication was limited and inconsistent.

The complainants question the transparency of the land acquisition process, particularly the identification of affected persons and eligible assets. They state that they were not clearly informed about how eligibility and compensation entitlements were determined, or how their assets and improvements were assessed and valued. Although they understand that certain notices and offers were published through official online platforms, they maintain that the family was not properly notified, which, in their view, limited their ability to understand and participate effectively in the process.

Institutional Responses and Actions

The complainants state that they sought to address their concerns through communications with the concessionaire, ANI, and IFC. According to the complainants, despite their efforts, the responses received from the concessionaire and ANI indicated that compensation for improvements had been addressed under the previous concessionaire and that the corresponding payments had already been disbursed. Any remaining compensation issues, they said, would need to be handled by the other competent authorities. The complainants maintain that the judicial decisions recognizing their ownership rights, status as victims of the armed

conflict, and entitlement to land restitution have not been adequately reflected in the current land acquisition process.

Regarding IFC, the complainants state that, between November 2024 and November 2025 and prior to submitting their complaint to CAO, they submitted several written communications and participated in a virtual meeting with IFC's Environmental and Social Policy Accountability and Grievances (ESPAG)⁷ team to raise their concerns and explain their situation. According to the complainants, while ESPAG acknowledged receipt of their communications, no further action was taken by IFC, nor were any assurances provided that the substance of the issues raised would be addressed.

5. IFC Client Perspective

IFC's client is the concessionaire, Autopista del Río Grande S.A.S. (ARG), a joint venture owned by KMA Concesión Río Grande S.A.S. (Colombia) and Ortiz Construcciones y Proyectos S.A. (Spain). The concessionaire presented the following perspectives in relation to the concerns raised in the complaint:

Property Rights, Restitution, and Historical Occupation of the Property

The concessionaire states that the current land acquisition process is being conducted in accordance with the property's current legal status and the applicable Colombian legal and judicial framework, including the 2016 land restitution judgment recognizing the complainants' ownership rights.

According to the concessionaire, the property's legal history indicates that private ownership rights over the property were declared extinguished in favor of the State in 2009, after which INCODER was registered as the owner. It states that the road was constructed by the previous concessionaire in 2014, before ownership of the property was restituted to the complainants through the 2016 land restitution judgment. The concessionaire therefore maintains that the construction activities, compensation paid to occupants, and other actions undertaken by the previous concessionaire occurred under a different legal and institutional context and prior to the restitution judgment. It maintains that issues arising from those historical actions should be addressed through the mechanisms established under Law 1448 of 2011 and other applicable legislation.

The concessionaire states that its current role is to complete the land acquisition and compensation processes initiated by the previous concessionaire within the applicable legal and contractual framework. According to the concessionaire, the current process considers available historical records, including documentation of compensation previously paid to identified occupants for certain improvements. It further maintains that compensation financed with public funds cannot be duplicated for the same assets or improvements, whose contents are no longer present on the property.

7 The IFC's Environmental and Social Policy Accountability and Grievances (ESPAG) is IFC's institutional-level grievance process, which enables individuals and communities to submit environmental and social (E&S) complaints directly to IFC management for review and response.

Regarding the acquisition of the area required for the project, the concessionaire maintains that neither the 2016 land restitution judgment nor the subsequent judicial order established specific compensation amounts or required recognition of improvements. Rather, the concessionaire understands the judgment to require that the complainants receive fair compensation through the applicable land acquisition process, including judicial expropriation where necessary, while guaranteeing due process, access to justice, and the opportunity to challenge the appraisal before the competent courts. It further states that, as part of completing the outstanding land acquisition process, the concessionaire updated the technical, legal, social, and appraisal studies for the property through field visits, physical inspections, and verification of existing site conditions.

According to the concessionaire, these studies concluded that the remaining property retains development potential and is currently being used by the owners for productive activities. It further indicates that the updated studies confirmed that the area required for the road project had already been used since 2013 and that the road works had been completed before ownership of the property was restituted to the complainants in 2016. According to the concessionaire, this existing physical and legal situation formed the basis for the commercial appraisal prepared by an independent appraiser.

The concessionaire contends that the appraisal reflects the land and the assets identified during the field assessment. It states that the absence of certain improvements claimed by the complainants reflects the findings of the technical and social studies, which did not identify those assets on the property at the time of the assessment, rather than a failure to recognize the restitution judgment or the complainants' rights. The concessionaire further maintains that any disagreement regarding the appraisal or compensation should be resolved through the judicial expropriation process established under Colombian law, which, in its view, provides the complainants with the opportunity to challenge the appraisal, submit evidence, and seek judicial review while ensuring due process and fair compensation.

Economic Displacement, Loss of Productive Assets, and Compensation

The concessionaire maintains that the land acquisition process is being carried out in accordance with the Colombian legal framework applicable to infrastructure projects. According to the concessionaire, this process includes a review of property titles; topographic and cadastral surveys; technical inventories of the land, crops, trees, structures, infrastructure, and other improvements eligible for compensation; commercial appraisals of real property; and preparation of a formal purchase offer. It states that the inventories are prepared through field inspections and technical studies, which form the basis for the commercial appraisal and purchase offer. It further states that commercial and corporate appraisals are carried out by specialized appraisers who are members of a recognized appraisal association (Lonja), in accordance with current market values and the applicable legal and technical standards.

The concessionaire indicates that the inventory of the land, improvements, and productive assets on the property was prepared and subsequently verified by the project's supervising entity, and that the formal purchase offer reflects the results of that process. It further states that the appraisal considered available records of payments made during previous land acquisition processes undertaken by the previous concessionaire, as documented in files provided by ANI. According to the concessionaire, the current process seeks to identify and compensate any land, improvements, and productive assets within the acquisition area that are eligible for compensation under the applicable legal framework. It further stated that compensation financed with public resources cannot be duplicated for the same improvements, crops, trees, livestock-related infrastructure, and other productive assets. The concessionaire also states that differences

between historical records, the current inventory, and the information provided by the complainants regarding the existence, ownership, and appraisal of certain improvements and productive assets have contributed to differences between the parties' regarding appraisal and compensation for the property.

The concessionaire further explains that Colombian law prioritizes voluntary acquisition through the issuance of a formal purchase offer, which property owners may accept, submit observations on, or formally challenge within the timeframes established by the law⁸. It maintains that the legal framework does not provide for direct negotiation of compensation amounts and, where no voluntary transfer is achieved, the process may proceed to administrative and judicial expropriation. It asserts that disagreements about the inventory of improvements, productive assets, or the appraisal of land and other compensable assets fall under the jurisdiction of the competent administrative and judicial authorities. Because, according to the concessionaire, it did not receive a response to the publicly disclosed formal purchase offer within the legal timeframe, the case advanced to the expropriation judicial phase in March 2026.

The concessionaire further maintains that the 2016 land restitution judgment, and its amendment of May 17, 2017, did not establish specific categories of compensation or appraisal parameters. According to the concessionaire, disputes related to historical compensation and payments, the current appraisal, or the compensation reflected in the formal purchase offer should be resolved through the judicial expropriation process, which, it considers is the mechanism established under Colombian law to safeguard the complainants' rights.

Resettlement, Livelihood Restoration, and Consideration of Vulnerability

The concessionaire describes its land acquisition process as one that includes a social characterization of affected properties and households in order to identify current economic activities, physical and economic impacts, social conditions, and vulnerability factors. It states that compensation and other support measures are determined based on the current conditions of the property, the economic activities identified, and the impacts documented through this process, and not on historical land uses that were already analyzed and paid for according to the legal and factual conditions of the land under the previous concessionaire. The concessionaire further indicates that these methodologies are applied consistently across all properties affected by the project, in accordance with the applicable legal and contractual framework.

With respect to the complainants' property, the concessionaire states that the characterization conducted identified a current economic activity classified as "low-impact absentee owners" and that the family's concerns relate primarily to historical land uses and impacts associated with the property. On that basis, the concessionaire maintains that the circumstances of the case did not give rise to additional livelihood restoration measures beyond those provided under the applicable land acquisition framework.

Regarding vulnerability, the concessionaire states that the social characterization incorporates an assessment based on defined criteria, including age, disability, and other socioeconomic factors that may require differentiated support measures. According to the concessionaire, the social characterization conducted for this property does not meet the criteria to be classified as a high-vulnerability case. It also maintains that assistance arising from the family's status as victims of

⁸ Law 1682 of 2013, enacted by the Congress of Colombia, establishes the legal framework governing transport infrastructure projects, including provisions on expedited land acquisition procedures, administrative expropriation, temporary occupation, easements, special protection measures, and expropriation on the grounds of public utility or social interest.

the armed conflict corresponds to the institutional programs and mechanisms of the Colombian State and not to the land acquisition process developed within the framework of the project.

Access to Information, Transparency, and Participation

The concessionaire indicates that it has maintained communication with the family that owns the property throughout the land acquisition process through in-person and virtual meetings, written correspondence, published public notices, and information available on the concessionaire's and ANI's websites. According to the concessionaire, the formal purchase offer, commercial appraisal reports, plans, inventories of assets and improvements, and supporting technical documentation were prepared and disclosed in accordance with the applicable legal and contractual procedures. The concessionaire further maintains that it keeps records of meetings, communications, and engagement activities with communities and stakeholders.

Regarding participation, the concessionaire indicates that, under the applicable legal framework, formal communications and procedural actions relating to land acquisition must be conducted with the registered property owners or a duly authorized representative. It explains that, although the concessionaire communicated with one member of the family and he participated in the property inventory, the authorization presented was limited to that activity and did not constitute formal representation for the land acquisition process as a whole. According to the concessionaire, it has responded to correspondence, administrative requests, and judicial proceedings related to the case and has remained available to engage with the complainants through the communication channels and procedures established by law. The concessionaire further states that it has not received the power of attorney required under Colombian law for the family member to formally represent the complainants in their interactions with the concessionaire.

With respect to transparency and the handling of concerns, the concessionaire specifies that the land acquisition process provides property owners with formal opportunities to review the acquisition offer, submit observations, challenge the appraisal, and seek review by the competent administrative or judicial authorities. It further notes that it operates a grievance mechanism as part of its environmental and social management system to receive, register, track, and respond to concerns raised by affected persons and communities. While acknowledging that the parties continue to disagree regarding the outcome of the process, the concessionaire maintains that it has complied with the applicable legal and contractual framework and has provided information, opportunities for participation, and access to the relevant procedures in accordance with Colombian law.

Institutional Response and Measures

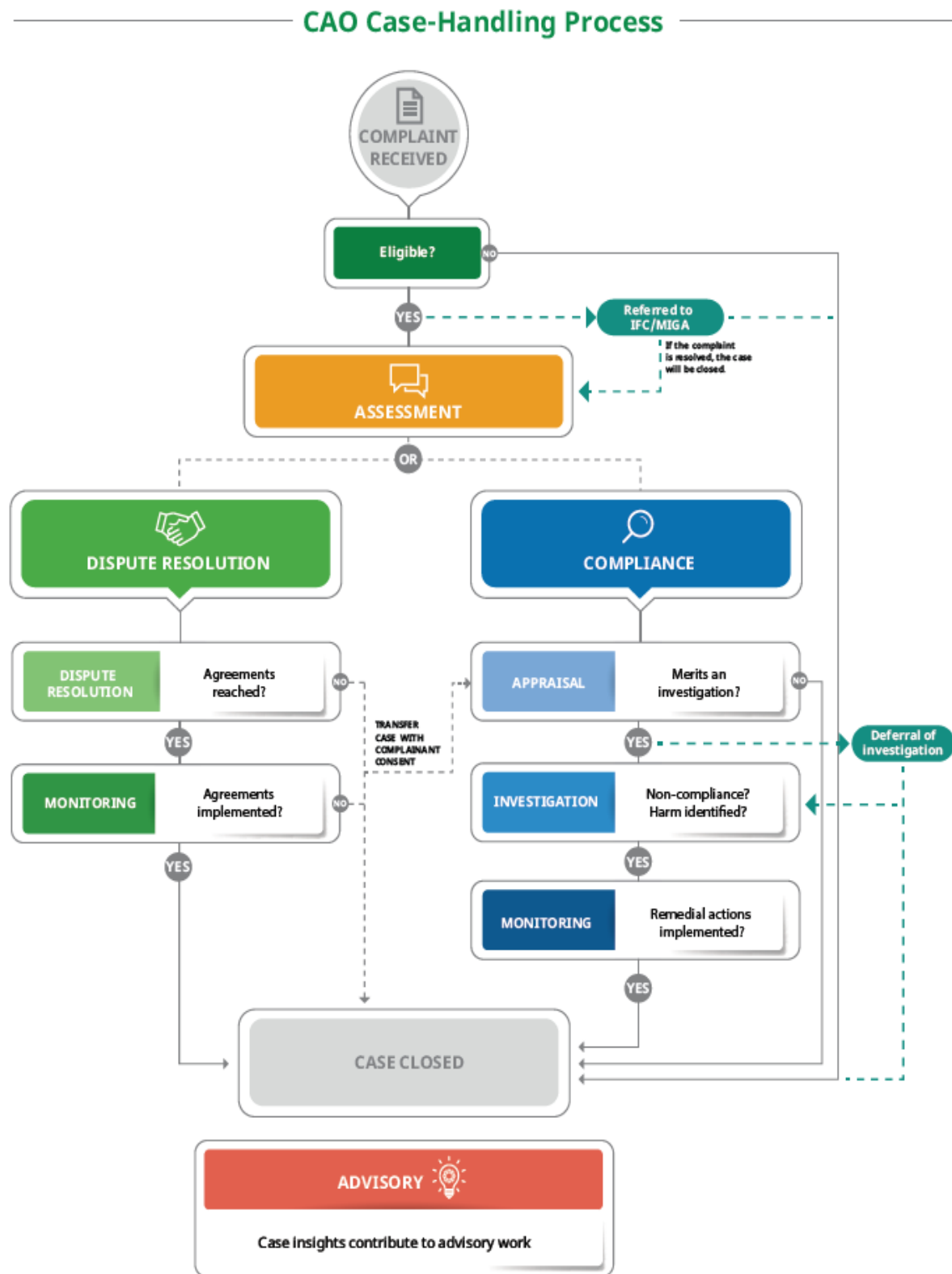
The company says it has responded to the complainants' communications, including formal requests, administrative proceedings, and legal filings. It argues that the concerns raised have been addressed through the administrative and judicial mechanisms available under Colombian law. It insists that it has acted according to the applicable legal and contractual framework governing the project and that issues related to compensation, appraisal, and historical claims should continue to be addressed through the legal mechanisms established under Colombian law, including the ongoing judicial proceedings.

6. Conclusion and Next Steps

The complainants expressed an interest in resolving the issues raised in the complaint through a CAO-facilitated dispute resolution process, while the concessionaire indicated a preference for the case to be transferred to CAO's Compliance function.

In accordance with paragraph 59 of the CAO Policy, as the parties did not agree to engage in a CAO-facilitated dialogue process, the case will be transferred to CAO's Compliance function for appraisal of IFC's environmental and social performance related to the project. CAO's compliance appraisal will determine whether an investigation of IFC is warranted or whether CAO will close the case.

Appendix A: CAO Complaint Handling Process



In accordance with the IFC/MIGA Independent Accountability Mechanism (CAO) Policy, the following steps are typically followed in response to a received complaint:

- Step 1: Acknowledgment** of the receipt of the complaint.
- Step 2: Eligibility.** A 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.

OR

Compliance appraisal and investigation. If the parties opt for an investigative process, the complaint is transferred to CAO's Compliance function. A complaint is also transferred to the Compliance function when the dispute resolution process results in partial or no agreement. At least one affected community member 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 any appropriate remedial actions 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 a possible extension of 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 is made publicly available, 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 monitors the effective implementation of the action plan.

- Step 5: Monitoring and Follow-Up.**
- Step 6: Case Closure**