



FEBRUARY 11, 2026

Compliance Appraisal Report

Regarding the Sixth Complaint to CAO about IFC Investments and MIGA Guarantees in Benban Solar Park, Egypt

Egypt: Benban Solar-06

IFC Project #37633, #40386, #40390, #37636, #37637, #39728, #37580, #40019, #37713, #37591, #39995, #39997, #39729

MIGA Project #14043, #14059, #14080, #14516, #14517, #14518, #14519, #14520, #14521, #13956, #13952, #13971

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 www.cao-ombudsman.org.

About the Compliance Function

CAO's compliance function reviews IFC and MIGA compliance with environmental and social policies, assesses related harm, and recommends remedial actions where appropriate.

CAO's compliance function follows a three-step approach:

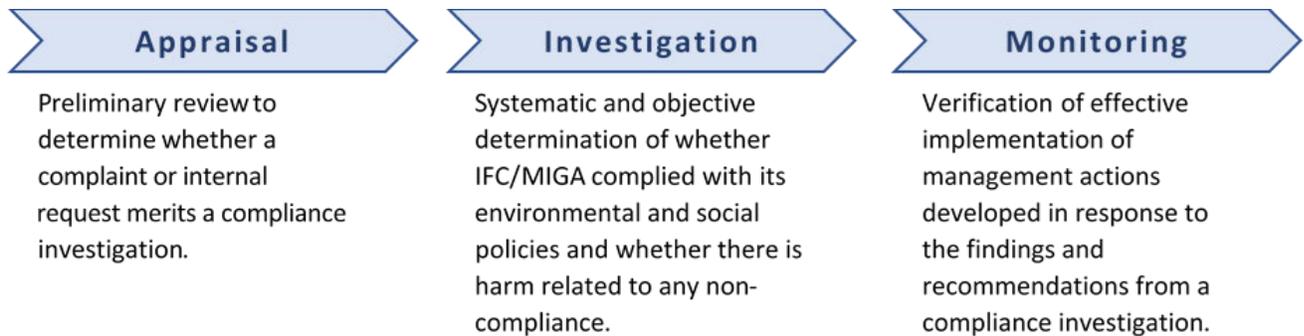


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Acronyms

AfDB-IRM	Independent Review Mechanism of the African Development Bank
AMR	Annual Monitoring Report
BSDA	Benban Solar Developers Association
CAO	Office of the Compliance Advisor Ombudsman (IFC and MIGA)
DFIs	Development Finance Institutions
E&S	Environmental and Social
EETC	Egyptian Electricity Transmission Company
EPC	Engineering Procurement and Construction
ESAP	Environmental and Social Action Plan
ESDD	Environmental and Social Due Diligence
ESHS MS	Environmental, Social, Health and Safety Management System
ESIA	Environmental and Social Impact Assessment
ESRS	Environmental and Social Review Summary
FMC	Facility Management Company
GCF-IRM	Independent Redress Mechanism of the Green Climate Fund
HAS	Hassam Allam Services
HR	Human Resources
HSH	Health and Safety Home
IAM	Independent Accountability Mechanism
IEG	Independent Evaluation Group
IESC	Independent Environmental and Social Consultant
IFC	International Finance Corporation
KPI	Key Performance Indicator
MIGA	Multilateral Investment Guarantee Agency
NREA	New and Renewable Energy Authority
O&M	Operations and Management
PS	IFC / MIGA Environmental and Social Performance Standards
PS1	Performance Standard 1: Assessment and Management of Environmental and Social Risks and Impacts
PS2	Performance Standard 2: Labor and Working Conditions
SESA	Strategic Environmental and Social Assessment
SP	MIGA Policy on Environmental and Social Sustainability
WGM	Workers' Grievance Mechanism

Executive Summary

Since 2019, IFC—along with a group of international banks—has supported the construction and operation of 13 solar power plants at the Benban Solar Park, in the Arab Republic of Egypt. MIGA provides political risk insurance in relation to 12 Benban projects, including three joint projects with IFC. This report documents CAO’s compliance appraisal of a complaint submitted in September 2022 by an employee of the solar park’s facility management company. The complaint raises concerns about the non-renewal of her fixed term employment contract and related concerns about compensation, entitlements, and employment-related benefits. Based on the evidence set out in this report, CAO concludes that the complaint does not meet the criteria for a compliance investigation and has closed this case.

IFC Investment and MIGA Guarantees

The Benban Solar Park spans 37.2 square kilometers divided into 41 plots, 32 of which now house operational solar plants operated by different companies. IFC provided financing support to 13 projects totaling approximately US\$653 million. MIGA has active guarantees covering 12 Benban projects, of which three are joint projects with IFC, through 22 guarantee contracts covering equity sponsors and commercial lenders against political risks in the total outstanding amount of US\$241.4 million.

The Complaint

In September 2022, CAO received a complaint (Benban-06) from an individual employed by Health and Safety Home (HSH), the facility management company (FMC) contracted by the Benban Solar Developers Association (BSDA) to manage site wide environmental and social (E&S) functions at the Benban Solar Park. The complainant worked as a team leader for community communications and was employed at the FMC from November 2018 to November 2021, first by Hassan Allam Services and subsequently by HSH following the transition of the FMC from construction to operations in November 2020.

According to the complainant, HSH offered her a new one-year fixed term contract approximately two months prior to the expiration of her existing contract in November 2021. She reports that the proposed contract did not specify her responsibilities, salary, or benefits, and differed from her previous contract, which had clearly defined her role and terms of employment. After seeking clarification, the complainant states that she was unjustly dismissed and informed that her contract would not be renewed. She further alleges that she was not personally informed of the decision in advance and that the non-renewal notice was instead posted publicly in a common administrative area.

The complainant also asserts that the amount paid to her following the non-renewal of her contract did not fully correspond to her outstanding salary and entitlements. In addition, she alleges gaps in employment related benefits during her period of employment with HSH.

IFC and MIGA Joint Management Response

IFC and MIGA state that, while responsibility for managing E&S risks rests with the client, they have supervised E&S performance at both the project and solar park levels through due diligence, monitoring, and engagement. According to IFC and MIGA, supervision has included regular site visits, reviews of E&S systems and documentation, and engagement with

developers, BSDA, and HSH. They report that, following the transition to HSH as FMC in November 2020, supervision identified weaknesses in labor management and grievance handling, leading to enhanced engagement and the development of corrective actions. IFC and MIGA further report that, from 2022 onward, they increased supervision and capacity building efforts, including labor assessments, workshops, and support for strengthening grievance procedures and worker engagement, while noting that challenges in FMC performance have continued.

CAO Compliance Appraisal Analysis

The CAO compliance appraisal process determines whether a complaint merits an investigation by applying three criteria: (i) whether there are preliminary indications of Harm or potential Harm; (ii) whether there are preliminary indications that IFC and MIGA may not have complied with their E&S Policies; and (iii) whether the alleged Harm is plausibly linked to the potential noncompliance.

Based on a review of available information, CAO concludes that the complaint does not meet the three criteria for a compliance investigation, as summarized below.

Preliminary indications of Harm

Unjust dismissal and non-renewal of fixed term contract: The complainant was employed under a one-year fixed term contract from November 2020 to November 2021. The contract stated that HSH could elect not to renew the contract upon expiration and that the employee would have no entitlement to continued employment unless the employer chose to renew it. Approximately two months before the contract's expiration, the complainant received a proposed renewal contract that did not specify key employment terms and sought clarification. She alleges that HSH did not respond directly and that she learned of the non-renewal through a notice posted publicly in a shared work area. She also reports that she was instructed not to return to the site during the remaining contract period. In considering Harm, CAO focused on the manner in which the decision was communicated and handled, rather than on the legality of the contractual arrangement itself. On this basis, CAO finds preliminary indications of Harm, including concerns related to personal dignity and psychological distress, as well as the economic and reputational impacts described by the complainant.

Compensation and entitlements: The complainant confirms that her base salary was paid through the end of the contractual period. While she alleges that the final payment was reduced due to deductions applied to meal and transportation benefits, CAO did not have access to payroll documentation to independently verify the deductions. CAO notes that the non-renewal communication stated that the complainant was no longer required to report to work, which implies that certain work-related benefits, such as transportation and meals, were no longer applicable. On this basis, CAO does not identify preliminary indications of Harm related to compensation and entitlements.

Alleged gap in employer sponsored health insurance coverage: The complainant alleges that following the transition from Hassan Allam Services to HSH in November 2020, she was not provided employer sponsored health insurance coverage for a period after the transition. CAO finds that there is insufficient information to establish preliminary indications of material Harm in relation to this allegation.

Preliminary indications of IFC and MIGA noncompliance

Based on the information reviewed, CAO does not identify preliminary indications of noncompliance by IFC or MIGA with applicable E&S policy requirements relevant to this complaint. Preliminary information suggests that IFC and MIGA met their due diligence obligations under the Sustainability Policy, including the identification of E&S risks and impacts and the use of corrective action plans to support compliance with the PSs. The supervision record reflects sustained engagement by IFC and MIGA, in coordination with other lenders, to identify and respond to labor and working conditions challenges as the project transitioned from construction into operations. This included site visits, review of E&S documentation and monitoring reports, engagement with lenders' independent consultants, and targeted follow up with clients, BSDA, and the FMC.

The record indicates that when capacity and performance gaps emerged, including following the FMC transition, IFC and MIGA engaged with their clients and other lenders to support corrective actions focused on labor management and grievance handling. While these measures did not fully resolve all challenges, they reflect a supervisory approach that responded to identified risks and was directed toward restoring and maintaining compliance over time.

Plausible link

Since CAO does not identify preliminary indications of IFC and MIGA noncompliance in relation to the issues raised, a plausible link between the alleged Harms and potential noncompliance cannot be established.

CAO Decision and Next Steps

CAO determines that the sixth complaint relating to the Benban Solar Park project does not merit a compliance investigation and has closed the case.

CAO shares this Compliance Appraisal Report with the Board, the World Bank Group President, IFC and MIGA Management, the company, and the complainant. CAO publishes this report as well as IFC and MIGA's Management Response on its website.

1. Introduction

The Benban Solar Park, supported by a consortium of banks and development finance institutions (DFIs), aims to deliver 1,650 megawatts of renewable energy through the largest solar farm in Africa, supporting sustainable economic growth in Egypt. This section provides an overview of IFC's investment and MIGA's guarantees in Benban power plants, the Benban-06 complaint to CAO, and the IFC/MIGA joint Management Response. It also includes a timeline for the solar park project and the CAO case.

1.1 The Benban Solar Park Project, IFC Investment and MIGA Guarantees

The Benban Solar Park (the “solar park project”)¹ spans 37.2 square kilometers divided into 41 plots, 32 of which now house operational solar plants transmitting electricity to Egypt's national grid. Plots are owned and operated by different energy companies. The park is 12 km east of the nearest village, Benban, 15 km west of the Nile River, and about 40 km northwest of Aswan City in the Aswan Governorate of Upper Egypt.

IFC provided financing support to 13 solar power plants at the Benban Solar Park, each with a capacity of approximately 20–50 MW, with investments approved between July² and September³ 2017. All investments were classified as Category B, reflecting moderate environmental and social (E&S) risks.⁴ IFC's financing package across the 13 projects comprised US\$166.5 million in A-Loans, US\$23.8 million in C-Loans, and US\$12 million in interest rate swaps, alongside US\$450.8 million mobilized through B-Loans and parallel loans, for a total of approximately US\$653 million. The investments involved six different sponsor groups⁵ and 15 project sponsors alongside a syndicate of lenders⁶.

MIGA has active guarantees covering 12 Benban projects, including three joint projects with IFC. Across all 12 projects, there are 22 guarantee contracts covering equity sponsors and commercial lenders against political risks in the total outstanding amount of US\$241.4 million. The remaining nine projects are financed by a consortium led by the European Bank for Reconstruction and Development (EBRD).

1.2 Project E&S Risk Management and Organizational Structure

In 2015, the New and Renewable Energy Authority (NREA) in Egypt commissioned a Strategic Environmental and Social Assessment⁷ (SESA) for the Benban Solar Park with support from EBRD. This resulted in IFC and EBRD jointly leading coordination efforts among DFIs involved

¹ For purposes of this report, the term “solar park project” refers to the overall Benban Solar Park development comprising multiple plots owned and operated by different sponsors, whereas references in this report to “the projects” or to individual projects refer specifically to IFC and MIGA financed plot-level projects.

² IFC Project [#37637](#), [#39728](#), [#37580](#), [#40019](#), [#37713](#), [#37591](#), [#39995](#), [#39997](#), [#39729](#)

³ IFC Project [#37633](#), [#40386](#), [#40390](#), [#37636](#)

⁴ IFC uses a process of environmental and social categorization to reflect the magnitude of risks and impacts. Category B signifies “Business activities with potential limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures.” IFC Sustainability Policy, 2012, and MIGA Policy on Environmental and Social Sustainability, 2013.

⁵ IFC Clients: (i) Acciona/Swicorp/TBEA, (ii) Alcazar, (iii) Ennery/SECI/DT, (iv) Phoenix/Infinity, (v) Shapoorji Pallonji, and (vi) TAQA Aravia.

⁶ African Development Bank (AfDB), Arab Bank of Bahrain, Asian Infrastructure Investment Bank (AIIB), British International Investment (BII), Dutch Entrepreneurial Development Bank (FMO), Europe Arab Bank, Austrian Development Bank (OeEB), European Bank for Reconstruction and Development (EBRD), Finnfund (Finland), Green for Growth Fund, Proparco (France), and Industrial and Commercial Bank of China.

⁷ NREA (2016), [Strategic Environmental and Social Assessment \(SESA\)](#)

in the solar park project to establish a unified and consistent approach to managing key E&S risks.

This led, in turn, to the establishment of the Benban Solar Developers Association (BSDA)⁸, a non-governmental body governed by representatives of the solar park project sponsors, bringing together the majority of project developers⁹ to address E&S risks in a structured manner. In coordination with NREA and the Egyptian Electricity Transmission Company (EETC), the BSDA appointed a Facility Management Company (FMC) to coordinate and manage site-wide activities at the Benban Solar Park. IFC and MIGA clients have contractual agreements with BSDA, which in turn contracts the FMC. Each IFC and MIGA client contributes a share of the costs associated with the FMC.

BSDA has appointed two FMCs to date, one during project construction and the second for the operation and maintenance (O&M) phase. Hassan Allam Services (HAS) served as the FMC during construction, with its contract concluding in November 2020. The same month, BSDA appointed Health and Safety Home (HSH) as FMC for the O&M phase, under a multi-year contract.¹⁰

Under the site-wide management arrangements established, the FMC serves as the central mechanism for coordinating and managing cumulative E&S risks and impacts across the solar park. This role includes responsibility for developing, implementing, and maintaining an Environmental, Social, Health and Safety Management System (ESHS MS)¹¹ aligned with IFC Performance Standard 1 (PS1)¹² and relevant international standards.

Specifically, the FMC's remit includes preparing and implementing site-wide E&S management plans and strategies. These cover, among other areas, labor and worker relations, security management, traffic risk assessment and management, occupational health and safety, emergency medical and fire response, waste management, and site security. The FMC is also responsible for managing elements of the worker and community grievance mechanisms¹³, conducting stakeholder engagement at the park level, and supporting consistent application of E&S requirements across developers, contractors, and subcontractors.

An external consulting firm served as the lenders' Independent E&S Consultant (IESC), responsible for monitoring E&S performance at both the individual project and park levels, including the roles of the equity owners sponsoring the plant operators, BSDA, and the FMC. During the pre-investment and construction phases, the IESC conducted monitoring site visits, with the fourteenth visit taking place in May 2022 and focusing on operations following the FMC's transition to HSH.

⁸ Earlier project documentation, including the ESRs, refers to the developers association as the Benban Developers Association (BDA). Later documentation refers to the same entity as the Benban Solar Developers Association (BSDA).

⁹ Project entities in the Benban Solar Park are referred to in different documents as *clients*, *sponsors*, *developers*, or *special purpose vehicles (SPVs)*, depending on context. In this report, "client" refers to the IFC or MIGA investee or guarantee-holder (i.e., the project company/SPV). "Sponsors" refers to the equity owners behind the project companies, who hold governance and decision-making roles and are responsible for ensuring compliance through contractual and oversight arrangements. "Developers" is used as a collective term where reference is made to the broader group of project companies and sponsors operating at the park level.

¹⁰ HSH's contract was scheduled to conclude in November 2025 and was subsequently extended by six months.

¹¹ In IFC documentation for the Benban Solar Park, including the ESRs and ESAPs, IFC refers to an Environmental, Social, Health and Safety Management System (ESHS MS). This terminology corresponds to what is commonly described as an ESMS in IFC PS1.

¹² IFC Performance Standards on Environmental and Social Sustainability (IFC, 2012). Available at: <https://www.ifc.org/en/insights-reports/2012/ifc-performance-standards>

¹³ The FMC operates within a tiered WGM framework at the Benban Solar Park by supporting site-wide coordination, managing park-level grievance channels, and maintaining a separate grievance mechanism for its own employees.

Since December 2024, BSDA has engaged an E&S consulting firm to support its oversight of the FMC's E&S performance through advisory, monitoring, and capacity building services, including assistance related to grievance management and the strengthening of site-level E&S procedures. The consulting firm reports to the BSDA, which in turn reports to the individual project companies on a quarterly basis, while IFC and MIGA engage with and supervise their clients through their Annual Monitoring Reports (AMRs) and site visits.

In line with MIGA's Policy on Environmental and Social Sustainability¹⁴, IFC and MIGA agreed that MIGA would rely on IFC for E&S due diligence and monitoring of the joint projects, as well as for assessing E&S risks at the solar park level. Given the similarity of the individual projects supported by IFC and MIGA, the Environmental and Social Review Summaries (ESRS)¹⁵ and Environmental and Social Action Plans (ESAPs) prepared for each investment and guarantee were broadly consistent.

1.3 CAO Case Handling Process for Benban Solar Park

To date, CAO has received 25 complaints about Benban Solar Park,¹⁶ of which eight were deemed eligible and registered as CAO cases when this appraisal report was published. Following CAO's assessment process, all eight eligible cases were initially referred to CAO's Dispute Resolution function. Four cases—Benban-03, Benban-04, Benban-05, and Benban-07—were successfully resolved through mediation, while Benban-01 remains in the dispute resolution process.

This case, Benban-06, is the second to be considered by CAO's Compliance function. The first case to proceed to Compliance, Benban-02, was closed at the appraisal stage in September 2025. In addition, the eighth eligible case related to this project—Al Subh Solar Power, Sunrise Energy and Rising Sun Energy-01—was transferred to CAO's Compliance function in November 2025.¹⁷

Benban-06 case

The Benban-06 complaint, submitted in September 2022, was filed by an HSH employee who alleged unjustified dismissal and non-renewal of her fixed-term employment contract and underpayment of compensation and entitlements associated with the end of her employment. Although the complaint concerns an FMC worker, CAO's analysis for this report considered multiple IFC- and MIGA-supported projects at Benban Solar Park. BSDA contracted the FMC, HSH, to carry out site-wide operational and E&S management functions on behalf of the project companies, including labor management and grievance handling. Because IFC and MIGA relied on these site-wide arrangements as part of each project's E&S risk management and supervision, CAO considered E&S issues arising at the FMC level relevant to all IFC- and MIGA-supported projects at the park.

In October 2022, CAO found the complaint eligible and conducted an assessment. After the complainant and BSDA representatives agreed to a voluntary CAO mediation process to address

¹⁴ MIGA Policy on Environmental and Social Sustainability, para. 6, available at:

https://www.miga.org/sites/default/files/archive/Documents/Policy_Environmental_Social_Sustainability.pdf

¹⁵ For each proposed Category A and B project, IFC discloses a summary of its review findings and recommendations, the Environmental and Social Review Summary (ESRS).

¹⁶ At the time of publishing, 17 involved complainants have chosen to engage directly with IFC to seek early resolution before CAO initiated an eligibility determination. For further information on the other Benban cases, please refer to the following links: [1](#), [2](#), [3](#), [4](#), [5](#), [6](#), [7](#) & [8](#)

¹⁷ See CAO case page: [Al Subh Solar Power, Sunrise Energy and Rising Sun Energy-01](#)

the complaint issues, CAO transferred the case to its Dispute Resolution function. The dispute resolution process concluded without agreement in October 2025, and the case was transferred to CAO's Compliance function the same month to determine whether to conduct an investigation of IFC's E&S performance in relation to the complaint issues.¹⁸

In accordance with the CAO Policy¹⁹, CAO shared the complaint with the independent accountability mechanisms (IAMs) of other DFIs supporting projects in the solar park. The Independent Review Mechanism of the African Development Bank (AfDB-IRM)²⁰ determined that the case would be handled through its compliance review function,²¹ and in March 2023 completed a Compliance Review Eligibility Assessment similar to CAO's compliance appraisal. The AfDB-IRM recommended to its Board that a compliance review (similar to a CAO compliance investigation) be initiated for this case.²² At the time of writing this report, there have been no further case updates on the AfDB-IRM webpage.

The Independent Redress Mechanism of the Green Climate Fund (GCF-IRM) informed CAO that it had received the same complaint on labor issues from the CAO complainant, as well as additional community-related issues. According to the GCF-IRM website, the parties reached a problem-solving agreement²³. However, in July 2024, after monitoring of the agreement became unfeasible, the complaint was referred to compliance review. In September 2024, GCF-IRM's compliance appraisal of the complaint found prima facie evidence of adverse impacts and non-compliance with GCF's operational policies and procedures, initiating a compliance investigation.²⁴ At the time of writing this report, GCF-IRM had not published its compliance investigation report.²⁵

1.4 Complaint Summary

This section summarizes the Benban-06 complaint attached to this report as Appendix 1 as well as additional information CAO received from the complainant after the case was transferred to Compliance. The scope of the issues addressed in this compliance appraisal reflect those established and clarified during the assessment, dispute resolution, and compliance appraisal processes through CAO's engagement with the complainant.

Submitted in September 2022, the complaint was filed by an individual employed by HSH as a team leader for community communications. The complainant worked at the Benban Solar Park FMC from November 2018 to November 2021, first for Hassan Allam Services (HAS)²⁶ from November 2018 to November 2020, and subsequently for HSH from November 2020 to November 2021.

¹⁸ The conclusion of the Dispute Resolution phase was documented in a [CAO Dispute Resolution Conclusion Report](#) published on 27 October 2025.

¹⁹ CAO Policy 2021: para. 169.

²⁰ 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.

²¹ Additional information on IRM at the AfDB case is available at: <https://irm.afdb.org/en/complaint-form/benben-photovoltaic-solar-park-egypt>

²² AfDB-IRM Compliance Review Eligibility Assessment, March 2023, available at <https://bit.ly/46UD8v6>

²³ A problem-solving agreement under the GCF Independent Redress Mechanism is a voluntary, facilitated agreement between complainants and relevant project parties aimed at addressing concerns raised.

²⁴ Additional information on IRM at the Green Climate Fund case is available at: <https://irm.greenclimate.fund/case/c0009-egypt>

²⁵ The conclusion of the compliance investigation phase was expected to be on 15 December 2025: <https://irm.greenclimate.fund/sites/default/files/case/c0009-egypt-irm-second-extension-time-decision-compliance-review.pdf>

²⁶ The FMC contracted by the BSDA during the construction phase.

According to the complainant, HSH offered her a new one-year fixed term contract approximately two months prior to the expiration of her existing contract in November 2021. She reports that the proposed contract did not specify her responsibilities, salary, or benefits, and differed from her previous contract, which had clearly defined her role and terms of employment. After seeking clarification, the complainant states that she was unjustly dismissed from her employment and notified that her contract with HSH would not be renewed.²⁷ The complainant reports that she was not personally informed of the non-renewal decision in advance and that it was instead posted publicly in a common administrative area immediately following her request for clarification of the renewal contract terms.

The complainant also asserts that the amount paid to her following the non-renewal of her contract did not fully correspond to what she believed she was owed in salary and entitlements for the remaining contract period. She further alleges gaps in employment-related benefits during her period of employment by HSH.

Further details of the complaint issues are presented in Section 3, which sets out CAO's appraisal analysis.

1.5 IFC and MIGA Joint Management Response

IFC and MIGA's joint Management Response (see Appendix 2) asserts that they have made significant efforts to supervise E&S performance at both the project (individual power plant) and solar park levels, in coordination with the other DFIs supporting park projects. In line with the Policy on Environmental and Social Sustainability (the "Sustainability Policy")²⁸, IFC and MIGA emphasize that while responsibility for managing E&S risks and impacts rests with the client, IFC and MIGA seek, through due diligence, monitoring, and supervision, to ensure that financed activities are implemented in accordance with the IFC Performance Standards on Environmental and Social Sustainability (PSs)²⁹.

According to IFC and MIGA, E&S supervision at the individual project and park levels has been ongoing since the due diligence stage and includes regular site visits³⁰, reviews of E&S systems and procedures, and engagement with the BSDA and HSH. IFC and MIGA report that additional supervision visits took place in September 2022, in January, June, and November 2023, in December 2024, and in July and September 2025. As part of these visits, IFC and MIGA state that they reviewed documentation related to E&S management systems and supported onsite power plant developers in strengthening BSDA's oversight of HSH's management of E&S risks. Where E&S performance gaps related to labor, working conditions, and grievance management were identified, IFC and MIGA report that it enhanced supervision, promoted the application of good international industry practice, and supported the development of corrective actions.

IFC and MIGA note that HSH and its subcontractors employ workers under renewable one-year fixed-term contracts, consistent with Egyptian labor law. All workers receive written contracts and are registered with social security authorities and provided health insurance. IFC reports that during its January 2023 supervision visit, workers interviewed were generally aware of the terms

²⁷ [CAO Assessment Report \(Benban-06\)](#).

²⁸ IFC Policy on Environmental and Social Sustainability (IFC, 2012). Available at: <https://www.ifc.org/en/insights-reports/2012/publications-policy-sustainability-2012>

²⁹ IFC Performance Standards on Environmental and Social Sustainability (IFC, 2012). Available at: <https://www.ifc.org/en/insights-reports/2012/ifc-performance-standards>

³⁰ Some of the missions were virtual during the COVID-19 pandemic.

and conditions of their employment, although some expressed confusion regarding the distinction between dismissal and non-renewal of fixed-term contracts.

As an outcome of their January 2023 supervision visit, IFC and MIGA state that they communicated to their clients, as well as directly to BSDA and HSH, the need to clarify several issues relevant to this complaint. These included: (i) the respective roles and responsibilities of BSDA and HSH in relation to working conditions, wages, and grievance management; (ii) procedures under HSH's labor grievance mechanism for addressing complaints related to contracts and other workplace issues; and (iii) conditions applicable to fixed-term contracts. IFC further advised HSH to develop a structured plan for regular engagement with worker representatives across functions and levels to address concerns proactively before they escalated into grievances.

IFC and MIGA further report that, as part of their support to developers, IFC organized a capacity-building workshop in mid-2023 focused on Egyptian labor law and client requirements under IFC Performance Standard 2: Labor and Working Conditions (PS2). IFC also advised BSDA to engage a new E&S consultant with expertise in labor issues in the Egyptian context. According to IFC, by the end of 2023 HSH had increased its engagement with workers through welfare surveys, training sessions, and more frequent site-level interactions, and had established a workers' committee composed of representatives from HSH and its subcontractors to discuss labor-related concerns.

At the same time, IFC and MIGA acknowledge that, despite the progress reported, challenges remain in HSH's management of labor and working conditions. IFC notes that during its most recent supervision visit in September 2025, personnel changes in key roles, including the replacement of the social lead of the third-party E&S consultant and HSH's Labor Compliance and Grievance Officer, negatively affected labor and grievance management. IFC states that these concerns were raised with the developers it finances at Benban Solar Park and that time-bound actions were agreed to address identified gaps in HSH's E&S performance.

1.6 Client Response

CAO did not receive a statement from the Benban Solar Park developers in the context of this compliance appraisal.

1.7 Timeline of Benban Solar Park Development and Benban-06 Complaint

The development of the Benban Solar Park unfolded over several years, beginning with IFC and MIGA Board approvals and the signing of most project related legal agreements in June 2017, followed by construction and, by November 2019, full commercial operation.

Figure 1. Project and Benban-06 Complaint Timeline

IFC/MIGA Actions	CAO Process
<p style="text-align: center;">July – September 2017</p> <p>IFC approved financing across 13 Benban solar projects totaling approximately US\$653 million, while MIGA provided guarantees across 12 active projects totaling approximately US\$242 million.</p>	
<p style="text-align: center;">February 2018</p> <p>Construction begins at the Benban Solar Park</p>	
<p style="text-align: center;">November 2019</p> <p>End of construction works</p>	
<p style="text-align: center;">November 2020</p> <p>Construction facility management company (FMC) replaced by operations/maintenance FMC (HSH)</p>	
	<p style="text-align: center;">June – December 2022</p> <p>CAO receives seven complaints from individual workers, groups of workers, and local stakeholders, including Benban-06 in September</p>
	<p style="text-align: center;">October 2022</p> <p>Benban-06 complaint determined eligible and CAO assessment begins</p>
	<p style="text-align: center;">March 2023</p> <p>CAO assessment completed, voluntary dialogue process begins</p>
	<p style="text-align: center;">October 2025</p> <p>Case transferred to CAO compliance function after the Benban-06 complainant and BSDA/HSH fail to resolve the dispute</p>
<p style="text-align: center;">November 2025</p> <p>CAO receives IFC/MIGA's Management Response to the Benban-06 complaint</p>	

2. Compliance Appraisal Scope, Methodology, and Process

The scope of this compliance appraisal³¹ is limited to issues raised in the complaint³², as clarified through CAO's assessment³³, dispute resolution³⁴, and compliance appraisal processes. A CAO appraisal involves a preliminary review of available information. It does not lead to any definitive assessments or findings of Harm or IFC/MIGA non-compliance³⁵ but provides an analysis of three appraisal criteria required to determine whether to initiate a CAO compliance investigation. These criteria³⁶ are:

- a) Whether there are preliminary indications of Harm or potential Harm;
- b) Whether there are preliminary indications that IFC/MIGA may not have complied with its E&S policies; and
- c) Whether the alleged Harm is plausibly linked to the potential IFC/MIGA noncompliance.

³¹ CAO Policy 2021: para. 88.

³² See Appendix 1.

³³ [CAO Assessment Report](#)

³⁴ [CAO Dispute Resolution Conclusion Report](#)

³⁵ CAO Policy 2021: para. 94.

³⁶ CAO Policy 2021: para. 91.

CAO's appraisal decision is based on these appraisal criteria and other relevant considerations contained in the CAO Policy. For this case, the appraisal involved a preliminary review of the following information:

- Documentation related to the complaint, CAO's Assessment Report, and IFC/MIGA's Management Response;³⁷
- Project documentation shared by IFC/MIGA and available on their websites;
- Information gathered through discussions with the complainant and IFC/MIGA staff; and
- Relevant publicly available documentation.

CAO extends its appreciation to all parties mentioned in this report who have shared their perspective, knowledge, and time with the CAO compliance team.

3. CAO Appraisal Analysis of Complaint Issues

This section presents CAO's analysis and findings regarding the Benban-06 complaint issues raised by the former HSH worker, as clarified through CAO's assessment, dispute resolution, and compliance processes. Taking into consideration the complaint, IFC and MIGA's joint Management Response, and available documentation and information, the analysis addresses preliminary indications of Harm and potential IFC/MIGA non-compliance, as well as whether any alleged Harms are plausibly linked to noncompliance.

The CAO Policy defines Harm as "any material adverse environmental and social effect on people or the environment resulting directly or indirectly from a Project or Sub-Project. Harm may be actual or reasonably likely to occur in the future."³⁸ A preliminary indication of Harm is determined when CAO's initial review of available information during appraisal generates a plausible or credible concern that Harm has happened or is reasonably likely to occur. It is not equivalent to a finding of Harm, which may only result from a compliance investigation.³⁹

3.1. Unjust Dismissal, Non-Renewal of Contract & Non-Payment of Compensation and Entitlements

3.1.1. Preliminary Analysis of Harm

The complainant is a former contracted worker who was employed by the Benban Solar Park FMC, HSH, under a one-year fixed-term employment contract from November 24, 2020 to November 23, 2021. The contract was governed by Egyptian Labor Law No. 12 of 2003 and structured as a renewable fixed-term agreement, with renewal subject to mutual consent and a new written contract.⁴⁰ However, the contract stated that HSH could elect not to renew the initial contract upon expiration and that the employee would have no entitlement to continued employment unless the employer chose to renew the contract.

On September 19, 2021, approximately two months prior to the expiration of her contract, the complainant received an email from HSH Human Resources (HR) that included a proposed new one-year fixed term employment contract. The email stated that she was required to sign and

³⁷ IFC & MIGA Management Response, see Appendix 2.

³⁸ CAO Policy 2021, glossary.

³⁹ In this regard, para. 94 of the CAO Policy establishes that "the appraisal process does not lead to a definitive assessment of IFC/MIGA's compliance with its E&S Policies or related Harm. CAO may make these assessments only in the context of an investigation."

⁴⁰ Publicly available information on the 2003 labor law indicates that employers are not required to give advance notice when a fixed-term contract is not renewed.

return the contract by September 22, 2021, and that failure to do so would be treated as an indication that she did not wish to renew her employment.

After reviewing the proposed contract, the complainant states that it did not include a description of her duties or clearly set out key employment terms, including salary and benefits.⁴¹ She also noted the inclusion of provisions she considered unclear, including the introduction of another probationary period and a clause allowing HSH to terminate the contract immediately and without compensation in the event of an undefined breach.

On September 22, 2021, the complainant sent an email to HSH's Operations Manager seeking clarification on these issues, including the absence of key employment terms and the inclusion of unclear provisions in the proposed contract renewal. According to the complainant, she did not receive a response to this request.

The complainant states that shortly thereafter she became aware that a notice of non-renewal had been posted publicly on a wall in a common administrative or work area at the site, listing her name alongside that of another worker.⁴² She reports that this occurred while she was working off-site and that she was never informed directly by HSH.

The posted notice stated that her employment with HSH would end upon the expiration of her current contract on November 23, 2021, and that she would receive payments through the end of the contract period in accordance with applicable rules and procedures. According to the complainant, immediately after the posting, she was informed that she should no longer report to work and could not access the facility for the remainder of the contract period.

The complainant reports that she experienced the public posting of her name and employment status as humiliating and distressing.

During the complaint appraisal process, the complainant informed CAO that she later received a written letter at her home address confirming that her contract would not be renewed. According to the complainant, the letter stated that she would receive her full salary for the remaining two months of the contract period, and that she was not required to continue reporting to work.

The complainant confirmed that she received salary payments through the end of the contractual period. However, she alleges that the final payment was reduced due to deductions applied to meal and transportation benefits. CAO did not have access to payroll documentation or pay slips to independently verify the basis or calculation of these deductions.

In addition to concerns related to contract renewal and deductions, the complainant also alleges that following the transition of the solar park's facility management company from Hassam Allam Services to Health and Safety Home in November 2020, she was not provided with employer-sponsored health insurance coverage between November 25, 2020 and April 11, 2021. CAO did not have access to insurance enrollment records or payroll documentation, but the complainant provided a document inquiring about this health insurance subscription period that suggests coverage was not in place.

In considering Harm associated with the non-renewal of the complainant's fixed-term employment contract, CAO focused on the manner in which the decision was communicated and

⁴¹ Supporting evidence was provided to CAO.

⁴² Supporting evidence was provided to CAO.

handled, rather than on the legality of the contractual arrangement itself. CAO's analysis was guided by the requirements of IFC Performance Standard 2: Labor and Working Conditions, and its accompanying Guidance Note⁴³, which recognize that working conditions extend beyond physical aspects of the workplace to include the treatment of workers, including termination processes and whether workers' personal dignity is respected. These considerations helped frame CAO's assessment of whether the experiences described by the complainant in this case plausibly constitute Harm.

In this case, CAO notes that the complainant raised concerns regarding the clarity and completeness of the proposed renewal contract, including the absence of key employment terms.⁴⁴ While the complainant's contract permitted non-renewal, CAO considers that the sequence of events, including the short timeframe provided to sign a revised contract, the absence of response to requests for clarification, and the manner in which the non-renewal was communicated, contributed to uncertainty and distress.

CAO also has concerns over the public posting of the non-renewal notice in a shared work area regarding the complainant's treatment and personal dignity. The complainant reports that the public nature of the posting was humiliating, caused her psychological distress, and negatively affected her sense of professional standing.

In addition, although the complainant received her base salary through the end of the contract period, CAO concludes that there are preliminary indications of economic and reputational Harm associated with the non-renewal. These include income insecurity following the end of her employment, as well as reputational Harm linked to the manner in which HSH handled the non-renewal, which the complainant reports negatively affected her ability to secure subsequent employment. Taken together, these factors provide a reasonable basis for finding preliminary indications of Harm related to the treatment of the complainant and the process followed in connection with non-renewal of her contract.

With regards to the alleged gap in employer-sponsored health insurance coverage following the transition from HAS to HSH, CAO concludes there is insufficient information to establish preliminary indications of material Harm.

In addition, CAO does not identify preliminary indications of Harm related to compensation and entitlements. The complainant confirms that her base salary was paid through the end of the contractual period. While she alleges that the final payment was reduced due to deductions applied to meal and transportation benefits, CAO did not have access to payroll documentation to independently verify the deductions. CAO notes, however, that the non-renewal communication stated the complainant was no longer required to report to work, which implies that certain work-related benefits, such as transportation and meals, were no longer applicable.

3.1.2. Analysis of Preliminary Indications of IFC/MIGA Non-Compliance with the E&S Sustainability Framework

⁴³ IFC has prepared Guidance Notes corresponding to the PSs on Environmental and Social Sustainability. The Guidance Notes provide guidance on the requirements contained in the PSs, including reference materials and good sustainability practices to improve project performance. They are not intended to establish policy by themselves, but to explain the requirements of the PSs and assist clients and IFC staff in applying them, taking into account project context and professional judgment.

⁴⁴ Supporting evidence was provided to CAO.

A CAO compliance appraisal must consider whether there are preliminary indications that IFC may not have complied with its E&S policies.⁴⁵ For this case, CAO assessed IFC and MIGA's actions against the applicable components of IFC's Sustainability Policy (2012) and the Access to Information Policy (2012). In order to meet the commitments laid out in these policies, IFC requires its client to operate in accordance with the Performance Standards (PSs) (2012). Together, these policies and standards make up IFC's Sustainability Framework⁴⁶ and they define the institution's standards with respect to E&S risk management, client requirements, supervision, and disclosure.

The relevant E&S obligations applicable in this case, and CAO's analysis of potential IFC/MIGA non-compliance, are summarized below.

IFC Obligations Under the Sustainability Framework

The Sustainability Policy states that “[central] to [IFC’s] development mission are its efforts to carry out investment and advisory activities with the intent to ‘do no harm’ to people and the environment.”⁴⁷ To meet this mandate, IFC seeks to ensure that “[p]roposed investments that are determined to have moderate to high levels of environmental and/or social risk, or the potential for adverse environmental and/or social impacts will be carried out in accordance with the requirements of the Performance Standards”.⁴⁸

To achieve its mission and these goals, IFC is required to conduct pre-investment E&S due diligence of all its investment activities. IFC's E&S due diligence is commensurate with the nature, scale, and stage of the business activity, and with the level of E&S risks and impacts.⁴⁹ E&S due diligence at appraisal typically involves reviewing available information and documentation, conducting site visits where appropriate, assessing the business activity's performance against the PSs, and identifying gaps and necessary improvements.

Where such gaps are identified, IFC agrees to corresponding additional measures and actions with the client. These measures are reflected in a project Environmental and Social Action Plan (ESAP) and are established as necessary conditions of IFC's investment.⁵⁰ Based on the outcome of IFC's E&S due diligence, it commits only to finance investment activities that are expected to meet the requirements of the PSs within a reasonable period of time.⁵¹

During project implementation, IFC supervises the client's E&S performance against the conditions of financing.⁵² As part of supervision, IFC implements a regular program of supervision for activities with E&S risks and/or impacts, including site visits as appropriate, review of information reported by the client through AMRs, and updates on ESAP implementation.⁵³ If the client fails to comply with its E&S obligations, IFC will work with the client to bring it back into compliance, or if the client fails to reestablish compliance, IFC will exercise its rights and remedies, as appropriate.⁵⁴

⁴⁵ CAO Policy 2021, para. 91.

⁴⁶ IFC Sustainability Framework: Policy on Environmental and Social Sustainability, Performance Standards, and Access to Information Policy (IFC). Available at: <https://www.ifc.org/en/what-we-do/sector-expertise/sustainability/policies-and-standards>

⁴⁷ IFC, 2012 Sustainability Policy, para. 9.

⁴⁸ IFC, 2012 Sustainability Policy, para. 3.

⁴⁹ IFC, 2012 Sustainability Policy, para. 26.

⁵⁰ IFC, 2012 Sustainability Policy, para. 28.

⁵¹ IFC, 2012 Sustainability Policy, para. 22.

⁵² IFC, 2012 Sustainability Policy, para. 24.

⁵³ IFC, 2012 Sustainability Policy, para. 45.

⁵⁴ IFC, 2012 Sustainability Policy, para. 45.

Relevant IFC Performance Standards

CAO reviewed IFC/MIGA's performance against the two PSs most relevant to the issues raised in this complaint:

PS1: Assessment and Management of Environmental and Social Risks and Impacts

PS1 requires that clients identify and evaluate "all relevant environmental and social risks and impacts"⁵⁵ related to an IFC investment. Further, it underscores the importance of managing E&S performance throughout the life of a project, recognizing that an effective Environmental and Social Management System (ESMS) is a dynamic and continuous process initiated and supported by management, involving engagement between the client and its workers.⁵⁶

PS2: Labor and Working Conditions

PS2 requires the client to adopt and implement human resources policies and procedures,⁵⁷ and "provide workers with documented information that is clear and understandable, regarding their rights under national labor and employment law and any applicable collective agreements, including their rights related to hours of work, wages, overtime, compensation, and benefits upon beginning the working relationship and when any material changes occur".⁵⁸

The client will base the employment relationship on the principle of equal opportunity and fair treatment and will not discriminate with respect to any aspects of the employment relationship, such as recruitment and hiring, compensation [...] and termination of employment. PS2 further requires clients to take measures to prevent and address harassment, intimidation, and/or exploitation, particularly with respect to women.⁵⁹ They should also provide reasonable working conditions and terms of employment, consistent with PS2 requirements.⁶⁰ IFC's PS2 Guidance Note elaborates that "working conditions" includes both conditions in the workplace, such as the physical environment, occupational health and safety, and access to sanitary facilities, and the treatment of workers, including disciplinary practices, termination processes, and respect for workers' dignity.⁶¹ The client is also required to provide a grievance mechanism for workers to raise workplace concerns.⁶²

With respect to contracted workers, such as the complainant in this case, IFC and MIGA require clients to establish policies and procedures for managing and monitoring the performance of third-party employers in relation to PS2 requirements⁶³ and to ensure that contractors and subcontractors have an appropriate ESMS in place⁶⁴. Clients must also ensure that contracted workers have access to a grievance mechanism. Where a third party is not able to provide a Workers' Grievance Mechanism (WGM), the IFC/MIGA client will extend its own WGM to serve workers engaged by the third party.⁶⁵

CAO Analysis of IFC and MIGA's Actions

⁵⁵ IFC, 2012 Performance Standard 1, para. 07.

⁵⁶ IFC, 2012 Performance Standard 1, para. 1.

⁵⁷ IFC, 2012 Performance Standard 2, para. 8.

⁵⁸ IFC, 2012 Performance Standard 2, para. 9.

⁵⁹ IFC, 2012 Performance Standard 2, para. 15.

⁶⁰ IFC, 2012 Performance Standard 2, para. 5.

⁶¹ IFC, 2012 Guidance Notes, Guidance Note 2: Labor and Working Conditions, para. GN21.

⁶² IFC, 2012 Performance Standard 2, para. 20.

⁶³ IFC, 2012 Performance Standard 2, para. 25.

⁶⁴ IFC, 2012 Performance Standard 2, para. 24.

⁶⁵ IFC, 2012 Performance Standard 2, para. 26.

Pre-investment E&S due diligence

In 2016, a cumulative Strategic Environmental and Social Assessment (SESA) was prepared for the Benban Solar Park as part of the pre-investment E&S due diligence.⁶⁶ The SESA identified labor and working conditions as cross-cutting, park-wide issues arising from both the construction and operational phases, given the scale of the workforce and the number of developers operating in parallel. It noted that inconsistent labor standards across projects could create confusion for workers and increase the risk of labor-related issues. It therefore proposed the development of common standards covering worker recruitment and treatment, accommodation, transport, catering, sanitary facilities, and health and safety.

While the SESA appropriately identified labor and working conditions as cumulative, park-wide risks and emphasized the need for coordination across power plant developers, its analysis remained high-level. It did not include a detailed examination of labor risks in Egypt as experienced by workers in practice, nor did it assess how proposed labor protections would be implemented and enforced at the project and contractor levels. As a result, the effectiveness of the SESA's labor-related recommendations depended on subsequent project-level measures, including the development of ESMSs and the implementation of ESAP actions for each power plant.

As part of its pre-investment E&S due diligence, IFC conducted appraisal site visits to the Benban Solar Park in December 2015 and March 2017, accompanied by the lender's independent engineer and technical advisor. These visits formed part of IFC's assessment of E&S risks and impacts associated with the proposed investments, including ongoing and anticipated labor and working conditions at the park level, and informed IFC's appraisal findings.

IFC's pre-investment E&S due diligence identified the need for site-wide coordination of E&S management at the Benban Solar Park, given the scale of development and the cumulative risks associated with multiple developers. This assessment reflected coordination with other lenders involved in the solar park project, including EBRD. IFC also anticipated the need for enhanced E&S supervision capacity during project implementation and considered the allocation of additional budget resources to support this supervision. IFC's appraisal documentation framed the role of the FMC as central to the site wide approach, noting that at the cumulative level a key focus of IFC's E&S involvement was the development of a robust and tailored Environmental, Social, Health and Safety Management System (ESHS MS) by the FMC, aligned with PS1 and relevant international standards.

As part of the appraisal process, IFC established project-specific ESAPs to address identified gaps and strengthen E&S risk management across the Benban Solar Park. These ESAPs were applied consistently across IFC- and MIGA-supported projects and incorporated into the legal agreements with client solar plant developers as binding conditions of investment. Several ESAP items related to labor and working conditions and the management of third-party workers.

ESAP Item #2 required sponsors to develop and implement a project-specific ESHS MS prior to construction in line with IFC PS1 and relevant international standards. This system was to include ESHS policies, management and mitigation plans, monitoring and review arrangements, an

⁶⁶ Strategic Environmental and Social Assessment (SESA) for the Benban Solar Park, prepared for the European Bank for Reconstruction and Development (EBRD) and participating development finance institutions, July 2017 (available at: https://www.ebrd.com/content/dam/ebird_dxp/documents/owcs-archive/Environment/esia-48213sesa.pdf)

organizational structure with clearly defined roles and responsibilities, mechanisms for tracking non-compliances, and emergency preparedness and response procedures.

ESAP Item #6 addressed labor and working conditions by requiring sponsors to ensure that engineering, procurement, and construction (EPC) and O&M contractors developed and implemented HR policies and procedures aligned with IFC's PS2 and Egyptian labor law, and that these policies were applied to both workers and subcontractors. These HR policies and procedures were required to cover, among other things, terms and conditions of employment, wages and benefits, working hours and overtime arrangements, leave entitlements, termination procedures, non-discrimination and equal opportunity, prohibition of forced and child labor, disciplinary practices, and workers' rights and obligations. Clients were also required to ensure that workers were informed of and received training in these policies, and that HR-related reporting and key performance indicators (KPIs) were established through the EPC/O&M and subcontractor chain.

ESAP Item #7 required sponsors to ensure the establishment and availability of a WGM aligned with PS2. As described in the Environmental and Social Review Summary (ESRS) (IFC/MIGA investment disclosure), the grievance mechanism was to be communicated to workers during induction, made accessible to EPC/O&M workers and subcontractors, and integrated into project-level labor management arrangements.

ESAP Item #9 addressed workers engaged by third parties by requiring sponsors to establish policies and procedures for managing and monitoring the performance of third-party employers in relation to IFC's PSs. The ESRS indicates that sponsors were expected to take reasonable efforts to ensure that third-party contractors were reputable and operated with appropriate ESHS management systems, and to incorporate relevant E&S requirements into contractual arrangements.⁶⁷

Based on the information available to CAO, there are no preliminary indications that IFC and MIGA failed to comply with their E&S obligations under the Sustainability Policy (2012) during the pre-investment due diligence phase in relation to the issues raised by the complaint. As detailed above, the records indicate that IFC and MIGA applied the Sustainability Policy to their investments and guarantees in the Benban Solar Park, undertook pre-investment E&S due diligence through document review and appraisal site visits, and required compliance with the PSs.

Where gaps were identified at the appraisal stage, including with respect to labor and working conditions, IFC and MIGA required the implementation of time-bound corrective measures through project-specific ESAPs, which were established as binding conditions of investment. These measures addressed, among other things, the need for PS2 aligned labor policies and procedures, the availability of effective WGMs, and the management of third-party workers.

In CAO's view, these steps are consistent with IFC and MIGA's due diligence obligations under the Sustainability Policy, including the identification of E&S risks and impacts and the use of corrective action plans to support compliance with the PSs. On this basis, CAO finds no preliminary indications of non-compliance by IFC and MIGA during the pre-investment phase.

Supervision

⁶⁷ Refer to IFC Project pages for ESRSs: [#37637](#), [#39728](#), [#37580](#), [#40019](#), [#37713](#), [#37591](#), [#39995](#), [#39997](#), [#39729](#), [#37633](#), [#40386](#), [#40390](#), [#37636](#).

Following Board approval, the ESAPs established during pre-investment for the IFC- and MIGA-supported projects at the Benban Solar Park were completed during early implementation, with ESAP actions across the individual projects closed by April 2018. Available information, including clients' E&S progress reports, lenders' independent monitoring documentation, and IFC/MIGA supervision records, indicates that IFC and MIGA conducted ongoing supervision of E&S performance during construction and as the individual projects transitioned into operations. This supervision included annual site visits between 2018 and 2022, review of client E&S monitoring reports, engagement with the lenders' IESC, and dialogue with sponsors and BSDA on E&S risk management.

Available information indicates that the FMC transition (from HAS to HSH in November 2020) resulted in a material change in E&S management capacity at the park. During CAO's discussions with IFC, IFC acknowledged that the new FMC had more limited E&S capacity than its predecessor, particularly in relation to labor management and grievance handling, and that these capacity issues became more apparent as the projects moved fully into the operational phase. According to the Benban-06 complainant, these weaknesses affected the implementation of labor-related policies and procedures and contributed to challenges in worker management and grievance handling during this period.

In May 2022, the lenders' IESC conducted its fourteenth monitoring visit, which focused on operations under the new FMC arrangement. Related supervision documentation reported that the FMC was under-resourced in terms of staffing and capacity, several E&S management plans applicable to operations were still pending, and labor management and monitoring arrangements were not sufficiently developed for the operational phase. In particular, it was observed that, while certain E&S management documentation referenced labor related arrangements, there was limited evidence that labor management plans and procedures were fully developed, implemented, or operationalized by the FMC at the time of the visit.

During the May 2022 site visit, supervision documentation further reported that workers raised concerns related to employment contracts, including allegations that some staff were asked to sign contracts without salary details, with remuneration amounts added after signature, as well as concerns related to wages, working conditions, and reports from some guards interviewed that they did not have medical insurance. The documentation CAO reviewed also noted several labor grievances recorded in 2022, with a focus on salary levels and food quality. Related supervision documentation set out recommended actions to the FMC and BSDA, including capacity building measures at the FMC level accompanied by more robust labor management and monitoring policies, procedures, and plans, aimed at addressing the identified shortcomings in labor management and grievance handling.

HSH's documented labor-related policies and procedures in place at the time included a Human Resources Policy, hiring and recruitment procedures, and a labor code of conduct. CAO's review indicates that these documents were updated several times, including revisions to the HR Policy in January 2022. The policies referenced compliance with Egyptian labor law and, in some cases, drew on IFC PSs. However, as reflected in supervision documentation from May 2022, the existence of documented policies did not translate into effective labor management arrangements during early operations. It was observed that labor management plans and procedures were not yet sufficiently developed or operationalized by the FMC, and that weaknesses in implementation and oversight contributed to deficiencies in grievance handling and worker management during this period.

Building on supervision activities and E&S monitoring findings, IFC and the other lenders developed a corrective action plan in 2022 to address identified non-compliances, including those related to labor management and grievance handling. IFC supervision records indicate that these issues were a focus of intensified engagement with their clients and BSDA during supervision visits in March and September 2022, including discussions regarding FMC performance and the need for corrective measures.

In 2022, IFC documented multiple FMC related performance gaps identified through supervision and E&S audit reports and noted that clients had been alerted to the risk of an internal E&S downgrade due to FMC performance. IFC further recorded that recent supervision had indicated some progress in addressing E&S gaps, including efforts to resolve labor grievances in line with PS2 and Egyptian labor law requirements. The CAO complaint was lodged shortly thereafter, on 23 September 2022.

In January 2023, the project lenders conducted a site visit to ground truth progress against the 2022 corrective action plan and to identify priority issues requiring immediate attention. The lenders noted ongoing structural and capacity gaps impacting effective oversight of the FMC, including the absence of a dedicated project management function within BSDA to manage the FMC on a day-to-day basis and weaknesses in park-level grievance escalation arrangements. The visit also highlighted gaps in FMC contract management, including unclear KPIs and limited reporting on performance, as well as recent turnover in key FMC E&S and labor roles.

In February 2023, IFC undertook a labor assessment covering BSDA, the FMC, and subcontractors at the Benban Solar Park. The objective was to engage stakeholders on labor management challenges identified through supervision and develop recommendations supporting completion of corrective action plan items and alignment with Egyptian labor law and PS2. The assessment confirmed that the transition to HSH as FMC had resulted in labor grievances that were not adequately addressed during early operations and that worker confidence in grievance mechanisms remained limited. It also found that, while commercial contracts between HSH and its subcontractors did not explicitly reference PS2 or detailed labor requirements, the FMC's Code of Conduct and HR policies applied to all workers on site and the FMC exercised significant influence over subcontractor labor practices through its oversight role. The assessment also recorded confusion among workers regarding fixed term contract rights, including distinctions between non-renewal and dismissal.

In June 2023, IFC supported a labor-focused workshop with BSDA, the FMC, and developers at the Benban Solar Park. The workshop focused on strengthening labor management capacity through discussion of worker relations and grievance management, review of the labor assessment findings, and alignment of recommended actions with the existing action plan. Sessions also focused on clarifying roles and responsibilities among BSDA, the FMC, and developers for labor oversight and grievance escalation at park level.

In addition, as part of ongoing efforts to strengthen worker engagement and grievance management, a workers' committee was established and began functioning in 2023. Lenders' supervision records described the committee as a constructive forum for engaging workers and facilitating dialogue on labor-related issues, and acknowledged it as a positive development. At the same time, IFC supervision recorded limitations in the committee's functioning, including inconsistent engagement which constrained the effectiveness of grievance escalation.

More recent supervision records, in 2025, indicate that challenges related to FMC performance persist, along with delays in plans to appoint a new FMC. IFC's supervision during this period

focused on advancing the FMC tender, incorporating E&S considerations into the technical specifications, and supporting a performance review of HSH to inform the selection process. IFC and MIGA have emphasized to their clients the need for a transparent and timely transition to a suitably qualified FMC and noted that the existing FMC contract would be extended for six months to allow completion of the tender and an orderly handover. This is consistent with IFC and MIGA's Management Response, which similarly acknowledges ongoing FMC performance challenges.⁶⁸

Taken together, the supervision record reflects sustained engagement by IFC and MIGA, in coordination with other lenders, to identify and respond to labor and working conditions challenges as the Benban Solar Park transitioned from construction into operations. Supervision over time included site visits, review of E&S documentation and monitoring reports, engagement with lenders' independent consultants, and targeted follow-up with clients, BSDA, and HSH. These efforts contributed to the identification of material capacity and performance gaps at the FMC level and informed the development of corrective action plans aimed at strengthening labor management, grievance handling, and oversight arrangements. Over time, supervision records indicate that these measures supported improvements in worker engagement, grievance management practices, and labor oversight at the park level.

Based on the information reviewed, CAO's preliminary assessment does not identify indications of non-compliance by IFC or MIGA with their supervision obligations. The record shows that when labor-related issues and capacity gaps emerged, IFC and MIGA engaged with the client and other lenders to seek corrective actions, with supervision continuing to focus on labor management and grievance handling. Although these efforts did not fully resolve all challenges, they reflect a supervisory approach that responded to identified risks and was directed toward restoring and maintaining compliance over time.

3.1.3. Analysis of Plausible Link between Harm Allegations and Potential MIGA Noncompliance

Since there are no preliminary indications of potential IFC and MIGA noncompliance in relation to PS2, a plausible link between allegations of Harm and potential noncompliance cannot be established.

4. Additional Appraisal Considerations

Under the CAO Policy (para. 92), CAO compliance appraisals must take into account relevant additional considerations, including:

- Whether IFC and MIGA Management have clearly demonstrated that they dealt appropriately with the issues raised by the complainant or in the internal request and followed E&S policies or whether Management acknowledged that it did not comply with relevant E&S policies;
- The relevance of any concluded, pending or ongoing judicial or non-judicial proceeding regarding the subject matter of the complaint; and

⁶⁸ See Annex 2.

- Whether Management has provided a statement of specific remedial actions, and whether, in CAO's judgment after considering the complainant's views, these proposed remedial actions substantively address the matters raised by the complainant.

CAO notes that IFC and MIGA acted in accordance with their Sustainability Policy obligation to identify and review opportunities for improving client performance (para. 43), following receipt of the Benban-06 complaint. Upon receiving the complaint, IFC undertook a review of HSH's compliance with PS2, focusing on key areas such human resources policies, grievance handling and overall working conditions. IFC also organized a dedicated workshop on labor issues, designed to strengthen the client's ability to effectively address PS2 requirements.

5. CAO Decision

CAO determines that the sixth complaint relating to the Benban Solar Park project does not merit a compliance investigation and has closed the case.

CAO shares this Compliance Appraisal Report with the Board, the World Bank Group President, IFC and MIGA Management, the company, and the complainant. CAO publishes this report as well as IFC and MIGA's Management Response on its website.

Appendices

Appendix 1: Original Complaint

(As received by the complainant)

Gentlemen / IFC officials, members of the BSDA in Benban
Greetings

I am raising this grievance about the severe damage inflicted on me by the decision of the Healthy and Safety Home Company "FMC" for the following reasons:

- (1) termination of my contract with Healthy and Safety Home Company "FMC" and not to renew the contract because of my refusal to sign a new work contract which is illegal and does not comply with any of the workers' rights, whether to international or local laws "attached."
- (2) And the most harmful is the way I was informed of this decision. The administration hung the decision on the caravan law, while I was on a mission outside the site. This is the way they notified everyone except myself, although this contradicts the current contract, in which states that I must be notified by a written letter at my address mentioned in contract.
- (3) Threatening everyone that whoever will not sign these new illegal contracts and hand over the current contract ending on 23/11/2021 is considered the termination of his contract and his work will not be renewed. "email from them is attached"
- (4) Threatening everyone that whoever raise a grievance, he will be terminated, as they used to do.

Terrorizing everyone and warning them and threatening them that whoever complains to any party or individual will be dismissed, as mentioned by [REDACTED], and this mentioned by [REDACTED]. [REDACTED], reported the police and his prosecution for mentioning this complaint and threatening the security personnel with dismissal of anyone who complains to individuals or lfc consultant's visit to the site, it has been for a long time Any member of the security personnel is prohibited from complaining or claiming their right to overtime or vacation allowances, through the orders of [REDACTED], and he has terminated the contract of those who have filed a complaint now,

- (5) Close my email and laptop and get me out of the page admin as soon as I send an email to the manager to inquire about the terms of the contract and trying to force me to sign the contract which is empty of any data or information about anything and free of any rights "attached"
- (6) threatening me and everyone with a complaint about the car designated to transport workers from Aswan to the site, which is not healthy and does not conform to international specifications and standards
- (7) The situation on the site has deteriorated in terms of (Employment rights, safety, occupational health, environmental and social aspects), especially after the period of construction and follow-up from your side, especially in this last year, and the current company has been empowered by [REDACTED].

Is claiming my right to know the data of the new contract a crime for which I am entitled to this method of informing me of not renewing it? Or am I used as a model to use to terrify some colleagues on the same day also inquired and some of them complained about the lack of wages for overtime for everyone who begs himself and complains or complains about any decision of the company, even if he is dismissed, because he believes that he is the owner of everything in existence and is controlling the life of all people, so they have no right To deny it or even inquire about anything that contradicts the labor law, as well as the standards of the World Bank and all respected donors that respect humanity, whether internationally or locally, in Egypt in particular, on which we were trained before the establishment of the project, and which we are all proud of that the project is subject to, where it respects the humanity and preserves rights of workers and all workers.

Those standards that we used to remind him of when he ignored them, and that is clear in many matters that cannot be mentioned now, for example, the rights of workers, even in complaining about meals or recently imported cars, which are inconsistent with the standards and conditions of the World Bank, health and technical, which we know Well, how difficult it is for health for all of us, which we wanted to mention to the bodies that take into account human rights, and the project was classified globally according to international standards, which are not currently achieved at all.

I call upon you to save all workers from this oppression and enslavement, especially those who have families to support, forced by circumstances to sign white contracts without any data or any rights for them. any day I hope that I will not be a burden to you, but from the bad and low conditions now and the current work environment, which has become full of spies and hypocrites, some of whom are eavesdropping on others for the benefit of the administration, which feeds these inappropriate actions and overpays in wages and controls the rest of the workers for these without having real work roles for them.

Attachments:

(1) The email issued by [REDACTED], which states that the current contract has been delivered and the modern contract signed until Wednesday.

(2) Also, the email issued by me to [REDACTED], inquiring about some of the terms and articles of the new contract

(3) A copy of the current contract that will expire on 23/11/2021

(4) A copy of the new contract, "a fixed-term contract", which is in the state of handing it over to us completely devoid of any data, and they demanded that it be delivered to them blank "in blank".

(5) A copy of the administrative decision after the renewal and another colleague, [REDACTED], as it is hung on one of the walls of the caravan.

(6) A copy of the salary details as he handed them to us at the beginning of work on the current

Contract

Thanks

Greetings



Appendix 2: IFC / MIGA Management Response

**INTERNATIONAL FINANCE CORPORATION
AND
MULTILATERAL INVESTMENT GUARANTEE AGENCY**

**MANAGEMENT RESPONSE
TO THE CAO DISPUTE RESOLUTION CONCLUSION REPORT**

ON

**BENBAN SOLAR PARK-06 EGYPT –
AFRICA**

**(IFC PROJECT Nos. #37633, #40386, #40390,
#37636, #37637, #39728, #37580, #40019, #37713,
#37591, #39995, #39997, #39729 and MIGA
PROJECT Nos. #14043, #14059, #14080, #14516,
#14517, #14518, #14519, #14520, #14521, #13956,
#13952, #13971)**

November 2025

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ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
AIIB	Asian Infrastructure Investment Bank
BII	British International Investment
BSDA	Benban Solar Developers Association
CAO	Office of the Compliance Advisor Ombudsman
E&S	Environmental and Social
EBRD	European Bank for Reconstruction and Development
FMC	Facility Management Company
FMO	Dutch Entrepreneurial Development Bank
HSH	Health and Safety Home
IFC	International Finance Corporation
MIGA	Multilateral Investment Guarantee Agency
OeEB	Austrian Development Bank
O&M	Operations and Maintenance
PSs	IFC's Environmental and Social Performance Standards
US\$	United States Dollar

EXECUTIVE SUMMARY

- i. This Management Response has been prepared by the International Finance Corporation (IFC), in coordination with the Multilateral Investment Guarantee Agency (MIGA), to address the issues raised in the Benban Solar Park-06 complaint ([Benban-06](#)) received in September 2022 by the Compliance Advisor Ombudsman (CAO). The complaint concerns IFC investments and MIGA guarantees related to the Benban Solar Park (Benban) in the Arab Republic of Egypt.
- ii. Since 2017, IFC has been part of a consortium of nine international banks supporting the construction and operations of 13 solar power plants, which were commissioned by late 2019. MIGA provides political risk insurance in relation to 12 active Benban projects, of which three are joint projects with IFC. IFC and MIGA agreed, in accordance with MIGA's Policy on Environmental and Social Sustainability, that MIGA would rely on IFC for environmental and social (E&S) due diligence and monitoring of the joint projects and the E&S risks at the park level. As this complaint is related to park-level risks and impacts, this report focuses primarily on IFC's role, with reference to MIGA where relevant.
- iii. The Benban-06 complaint was filed in September 2022 by a former employee (the Complainant) of Health and Safety Home (HSH), a facility management company (FMC) contracted by the Benban Solar Developers Association (BSDA) on behalf of the developers to manage the E&S aspects at the park level. The complaint raised concerns relating to labor issues, specifically, unjustified dismissal and non-renewal of the Complainant's contract with HSH.
- iv. The Complainant and BSDA agreed to and engaged in the CAO dispute resolution process beginning in March 2023 to address the issues raised in the complaint. As the parties could not reach an agreement, CAO issued a Dispute Resolution Conclusion Report in October 2025, formally transferring the case to the CAO compliance function.
- v. IFC and MIGA have reviewed the allegations in light of CAO's appraisal criteria. Based on this review, IFC and MIGA consider that they have acted in accordance with their respective E&S policies in relation to these investments and guarantees, including conducting appropriate due diligence and supervision of the business activities they finance, in the case of IFC, or support with guarantees, in the case of MIGA.⁶⁹ Neither IFC nor MIGA have a contractual relationship with the BSDA or HSH. IFC/MIGA supervision focuses on engagement with developers and their respective roles within the BSDA and influence over BSDA's oversight of HSH.
- vi. IFC and MIGA do not find preliminary indications that they may not have complied with their E&S policies, a criterion under the CAO Policy that would warrant a compliance investigation. On this basis, IFC and MIGA respectfully conclude that the threshold for proceeding to a compliance investigation has not been met. IFC and MIGA remain committed to continuous learning, transparency and constructive engagement with stakeholders to strengthen the effectiveness of their E&S practices and development impact.

⁶⁹ IFC invested in 13 projects out of the 32 operational plots in the Benban Solar Park and has made significant efforts to influence the overall E&S management at the park level in accordance with its requirements and in coordination with lenders.

I. PROJECT OVERVIEW

1. IFC's financing package includes a US\$166.5 million IFC A Loan, US\$450.8 million mobilization from B and Parallel Loans, a US\$23.8 million IFC C Loan, and US\$12 million for interest rate swaps, across 13 projects.⁷⁰ MIGA is supporting 12 active projects in Benban Solar Park, of which three are joint projects with IFC,⁷¹ through 22 contracts of guarantee covering equity sponsors and commercial lenders against political risks, in the current outstanding amount of US\$242 million.
2. Benban Solar Park is divided into 41 plots assigned to various developers for the development and operation of solar power plants, 32 of which are now operational, generating and transmitting electricity to the national grid. Benban is one of the largest solar installations in the world.⁷²
3. The Benban Solar Developers Association (BSDA) was formed in 2017 as a voluntary coordination body comprised of and financed by developers active in the Park. The BSDA is led by an executive council with six members elected from the participating developers, who are supported by staff and consultants. The BSDA's core functions are coordination and representation (including collective engagement with international financiers and government authorities); shared services management for common infrastructure; environmental and social (E&S) oversight, including grievance management and external stakeholder engagement.
4. The IFC/MIGA projects in Benban are classified as category B according to the Policies on Environmental and Social Sustainability of IFC/MIGA, considering that the projects' activities have limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures. The IFC/MIGA projects are part of a larger solar park development with potential cumulative E&S impacts associated with the construction, and to a lesser degree, the operational and decommissioning phases. The BSDA hired a facility management company (FMC) to address these cumulative impacts and maintain consistency in the management of E&S risks and impacts at the park level. During construction, the company Hassan Allam was hired as FMC. For the operation and maintenance (O&M) phase, BSDA appointed Health and Safety Home (HSH) as the new O&M FMC in 2020.

II. CAO COMPLAINT

5. In September 2022, CAO received a complaint from a former employee of HSH. The complaint raised concerns regarding labor issues, specifically, unjustified dismissal and non-renewal of their contract.⁷³
6. In October 2022, CAO found the complaint eligible and conducted an assessment. During the assessment, the Complainant and the Benban Solar Park representatives expressed an interest in engaging in a Dispute Resolution Process facilitated by CAO to resolve the issues raised in the complaint.⁷⁴ In accordance with the CAO Policy, the complaint was transferred to CAO's Dispute Resolution function in March 2023.

⁷⁰ Other lenders supporting projects within the Park are the African Development Bank (AfDB), Arab Bank of Bahrain, Asian Infrastructure Investment Bank (AIIB), British International Investment (BII), Dutch Entrepreneurial Development Bank (FMO), Europe Arab Bank, Austrian Development Bank (OeEB), European Bank for Reconstruction and Development (EBRD), Finnfund (Finland), Green for Growth Fund, Proparco (France), and Industrial and Commercial Bank of China.

⁷¹ The remaining nine projects are financed by the consortium led by the EBRD.

⁷² <https://pressroom.ifc.org/all/pages/PressDetail.aspx?ID=17490>

⁷³ <https://www.cao-ombudsman.org/cases/egypt-benban-solar-06>

⁷⁴ <https://www.cao-ombudsman.org/sites/default/files/downloads/Benban%2006%20CAO%20Assessment%20Report%20English.pdf>

7. The parties agreed to engage in a dispute resolution process. Despite efforts to address the concerns raised in the complaint, the parties were unable to reach an agreement and the Complainant requested that the case be transferred to CAO’s compliance function.
8. Benban-06 is the sixth of eight CAO complaints related to the Benban projects, which were filed between June 2022 and March 2024.⁷⁵ Out of these cases, six are at the park level and two involve individual developers. As of July 2025, four cases have been closed following an agreement between the parties, one has reached an agreement and is in dispute resolution monitoring, and three have moved to compliance appraisal.⁷⁶

III. MANAGEMENT RESPONSE

9. IFC Management appreciates CAO’s assessment and its efforts in the dispute resolution process for the complaint. In this report, IFC provides a detailed response to the complaint. As per the Sustainability Policy (paragraph 7), while managing E&S risks and impacts in a manner consistent with IFC’s Performance Standards (PSs) is the responsibility of the client, IFC seeks to ensure, through its due diligence, monitoring, and supervision efforts, that the business activities it finances are implemented in accordance with the requirements of the PSs.⁷⁷ IFC has made significant efforts to supervise E&S performance at the park level in conjunction with the other nine DFIs that support projects at Benban Solar Park.
10. As per its contract with the BSDA, HSH is required to address and manage E&S risks in line with international standards, including IFC’s PSs, MIGA’s Performance Standards, EBRD Performance Standards, and the Equator Principles, and adhere to country regulations. All developers in Benban, including those supported by IFC and MIGA, provide funding to the BSDA for the HSH contract. Given that neither IFC nor MIGA have a contractual relationship with the BSDA or HSH, IFC/MIGA supervision is focused on engagement with the developers and their respective roles within the BSDA and influence over the BSDA’s oversight of HSH.
11. IFC reviewed the complaint to determine whether developers influenced BSDA and HSH’s performance in line with PS2 (Labor and Working Conditions) requirements, which states that clients should base the employment relationship on the principle of equal opportunity and fair treatment, including in relation to termination of employment.⁷⁸ The subsequent sections outline IFC’s review of E&S performance at the park level, its verification of mitigation measures and its evaluation of ongoing compliance against the PSs. This includes IFC’s ongoing engagement with developers on their role in influencing the BSDA’s oversight of HSH’s management of E&S issues.
12. Since the project’s due diligence, IFC has actively supervised E&S performance at both the project and park levels, including quarterly site visits during construction. IFC conducted several E&S supervision visits between 2018 and 2022, reviewed documentation related to E&S systems and procedures, and held virtual meetings with the BSDA and HSH during the COVID-19 pandemic when travel restrictions prevented site visits. Additional IFC visits occurred in September 2022; January, June, and November 2023; December 2024; and July and September 2025, to oversee

⁷⁵ IFC received the same complaints that were submitted to the CAO. IFC raised the issues in the complaints directly with the BSDA and HSH to address the concerns in line with IFC’s PS requirements.

⁷⁶ Of the three cases that have moved to CAO’s compliance appraisal function, one (Benban-02) was closed after CAO concluded that there were no preliminary indications of IFC non-compliance. The remaining two cases, including this one, are pending an appraisal conclusion at the time this Management Response was written.

⁷⁷ [IFC Policy on Environmental and Social Sustainability \(2012\)](#).

⁷⁸ [IFC Performance Standard 2 “Labor and Working Conditions”](#)

and support developers in their respective roles within the BSDA, including with respect to BSDA's oversight of HSH's management of E&S risks.⁷⁹

13. When gaps related to labor, working conditions, and grievance management were identified during project implementation, IFC enhanced its supervision, provided additional assistance to address labor issues (through the developers in which it is invested), developed corrective actions, and promoted the implementation of E&S good international industry practices within the BSDA and at HSH. Given the involvement of multiple lenders and the concern over the identified labor issues, IFC has led coordination efforts among the lenders and developers.
14. All workers involved at HSH's level, whether directly employed by HSH or subcontracted, receive written one-year fixed-term renewable employment contracts in line with Egyptian labor law, are registered with the social security authorities and are provided health insurance. HSH maintains detailed personnel registers and provides workers with appropriate information about the terms and conditions of their employment. During IFC's visit in January 2023, workers interviewed by IFC were generally aware of these provisions. However, they expressed confusion about the differences between dismissals and non-renewal of their contracts.
15. As an outcome of its supervision in January 2023, IFC communicated to developers, as well as to the BSDA and HSH directly, the need to clarify: (i) the roles and responsibilities of the BSDA and HSH with respect to working conditions, wages and grievances; (ii) procedures of HSH's labor grievance mechanism so complaints about contracts and other workplace issues could be addressed through the established system; and (iii) conditions under fixed-term contracts. Additionally, IFC communicated directly to HSH the need to develop a structure and plan to organize regular meetings with workers representing all functions and hierarchical levels to discuss and address concerns before they became a grievance. IFC further organized a capacity building workshop in June 2023 with a focus on Egyptian labor law and PS2 requirements and advised the BSDA on hiring a new E&S consultant with expertise in managing labor issues in the Egyptian context. By November 2023, HSH had significantly increased its level of engagement with workers through frequent site visits focused on labor issues, welfare surveys and monthly worker training sessions on topics such as the grievance mechanism, human resource policies and code of conduct, and preventing gender-based violence. A workers' committee was established by HSH, made up of 23 worker representatives from each department at HSH and its subcontractors, to proactively discuss labor concerns.
16. Despite the progress and improvements achieved to date, IFC noted challenges in HSH's management of labor and working conditions during its last supervision visit in September 2025. HSH had made personnel changes in key areas, including replacing the social lead employed by the third-party E&S consultant and HSH's Labor Compliance and Grievance Officer. These changes have negatively affected HSH's performance in labor and grievance management. IFC shared these concerns with the developers it finances in Benban Solar Park, together with time-bound actions for the developers to address gaps identified by IFC in HSH's E&S performance.

IV. CAO POLICY APPLICATION

⁷⁹ MIGA joined the IFC site visits in September 2022, January 2023 and November 2023, and conducted an additional site visit in February 2025.

17. Paragraph 91 of the CAO Policy establishes the appraisal criteria for determining whether a compliance investigation is necessary.⁸⁰
18. IFC seeks to ensure, through its due diligence, monitoring, and supervision efforts, that the projects are being implemented in accordance with the requirements of the PSs.⁸¹ Considering the actions taken by IFC, including its engagement with developers on using their role in the BSDA to influence oversight of HSH on the issues raised in the complaint, it is the view of IFC and MIGA that criterion b. of paragraph 91 of the CAO Policy, regarding “preliminary indications that IFC may not have complied with its E&S Policies,” has not been met.

V. CONCLUSION

19. It is IFC and MIGA’s view that they have complied with their respective E&S policies, including conducting appropriate due diligence and supervision.
20. Recognizing that there were gaps in HSH’s E&S performance as it relates to labor management, IFC sought to ensure – through its close supervision and the significant support provided to the developers it finances in connection with their respective roles within the BSDA and BSDA’s oversight of HSH – that the projects have been implemented by its developer clients in accordance with the requirements of the PSs.

⁸⁰ CAO Policy 2021, paragraph 91 “(a) whether there are preliminary indications of Harm or potential Harm; (b) whether there are preliminary indications that IFC may not have complied with its E&S Policies; and (c) whether the alleged Harm is plausibly linked to the potential non-compliance.” CAO Policy 2021, paragraph 92 “(a) for any Project or Sub-Project where an IFC/MIGA Exit has occurred at the time CAO completes its compliance appraisal, whether an investigation would provide particular value in terms of accountability, learning, or remedial action despite an IFC Exit; (b) the relevance of any concluded, pending or ongoing judicial or non-judicial proceeding regarding the subject matter of the complaint; (c) whether Management has clearly demonstrated that it dealt appropriately with the issues raised by the Complainant or in the internal request and followed E&S Policies or whether Management acknowledged that it did not comply with relevant E&S Policies; (d) whether Management has provided a statement of specific remedial actions, and whether, in CAO’s judgment after considering the Complainant’s views, these proposed remedial actions substantively address the matters raised by the Complainant.” CAO Policy 2021, paragraph 93. “In relation to a Project or Sub-Project that has already been the subject of a compliance investigation, CAO may: (a) close the complaint; (b) merge the complaint with the earlier compliance process, if still open, and the complaint is substantially related to the same issues as the earlier compliance process; or (c) initiate a new compliance investigation only where the complaint raises new issues or new evidence is available.”

⁸¹ IFC Policy on Environmental and Social Sustainability (2012)

Disclaimer

This IFC/MIGA Management Response is provided in response to the Dispute Resolution Conclusion Report of the Office of the Compliance Advisor Ombudsman (CAO) finding a complaint to a project supported by IFC finance or investment and MIGA guarantee eligible for compliance appraisal.

Nothing in this IFC/MIGA Management Response or in the process provided for in the CAO Policy (“CAO Process”) (1) creates any legal duty, (2) asserts or waives any legal position, (3) determines any legal responsibility, liability, or wrongdoing, (4) constitutes an acknowledgment or acceptance of any factual circumstance or evidence of any mistake or wrongdoing, or (5) constitutes any waiver of any of IFC’s or MIGA’s rights, privileges, or immunities under the IFC Articles of Agreement, the MIGA Convention, international conventions, or any other applicable law. IFC and MIGA expressly reserve all rights, privileges, and immunities. IFC and MIGA do not create, accept, or assume any legal obligation or duty, or identify or accept any allegation of breach of any legal obligation or duty by virtue of this IFC/MIGA Management Response.

While reasonable efforts have been made to determine that the information contained in this IFC/MIGA Management Response is accurate, no representation or warranty is given as to the accuracy or completeness of such information. CAO is not a judicial or legal enforcement mechanism. Its analyses, conclusions, and reports are not intended to be used in judicial or regulatory proceedings nor to attribute legal fault or liability, and it does not engage in factfinding nor determine the weight that should be afforded to any evidence or information. No part of this IFC/MIGA Management Response or the CAO Process may be used or referred to in any judicial, arbitral, regulatory, or other process without IFC’s and MIGA’s express written consent.

Appendix 3: Additional Appraisal Considerations

The CAO Policy provides for the compliance appraisal to take into account additional relevant considerations, as outlined in the table below.

CAO Policy provision	Analysis for this case
For any project or sub-project where an IFC/MIGA exit has occurred at the time CAO completes its compliance appraisal, whether an investigation would provide particular value in terms of accountability, learning, or remedial action despite an IFC/MIGA exit (para. 92a).	Not applicable
The relevance of any concluded, pending or ongoing judicial or non-judicial proceeding regarding the subject matter of the complaint (para. 92b).	In September 2021, the complainant initiated legal proceedings against HSH at the Egyptian courts in. IFC was reportedly called as a witness in this process. However, BSDA representatives indicated that the claim brought by the Complainant was dismissed by the court, which ruled in favor of HSH.
Whether Management has clearly demonstrated that it dealt appropriately with the issues raised by the Complainant or in the internal request and followed E&S Policies or whether Management acknowledged that it did not comply with relevant E&S Policies (para. 92c).	CAO notes that IFC and MIGA acted in accordance with their Sustainability Policy obligation to identify and review opportunities for improving client performance (para. 45 & 43), following receipt of the complaint. Specifically, IFC reviewed PS2 compliance by HSH with respect to the Grievance Mechanism, HR Policies, and working conditions.
Whether Management has provided a statement of specific remedial actions, and whether, in CAO's judgment after considering the Complainant's views, these proposed remedial actions substantively address the matters raised by the Complainant (para. 92d).	IFC carried out a specific workshop on labor issues to improve HSH's capacity to address PS2 issues.
In relation to a project or sub-project that has already been the subject of a compliance investigation, CAO may: (a) close the complaint; (b) merge the complaint with the earlier compliance process, if still open, and the complaint is substantially related to the same issues as the earlier compliance process; or (c) initiate a new compliance investigation only where the complaint raises new issues or new evidence is available (para. 93).	Not applicable