

Dispute Resolution Conclusion Report

Regarding the Fourth Complaint received in relation to IFC's investments and MIGA's guarantees in Benban Solar Park (IFC #37633, #40386, #40390, #37636, #37637, #39728, #37580, #40019, #37713, #37591, #39995, #39997, #39729 and MIGA #14043, #14059, #14080, #14516, #14517, #14518, #14519, #14520, #14521, #13956, #13952, #13971) in Egypt

June 2025

OVERVIEW

In June 2022, CAO received a complaint from a schoolteacher ("the complainant") from a village in the Benban area in the Arab Republic of Egypt. The complaint relates to 13 active projects by the International Finance Corporation (IFC)¹ and 12 active projects supported by the Multilateral Investment Guarantee Agency (MIGA)² in Benban Solar Park ("the project"). The complainant alleged that although the project representatives had visited the villages in the Benban area and had promised to provide a development plan for the villages, no plan had been distributed and no consultation with the community had taken place.

After determining the complaint eligible, CAO began its assessment in July 2022. 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. In accordance with the CAO policy, the complaint was transferred to CAO's Dispute Resolution function in January 2023.

The first joint meeting was held in May 2023, to discuss the ground rules for the mediation process and the issues raised in the complaint. Between June 2023 and March 2024, CAO facilitated bilateral negotiations and information sharing between the parties via shuttle diplomacy. As a result of the voluntary dispute resolution process, the parties reached and signed an agreement in April 2024. The parties agreed to keep the terms and conditions of the agreement strictly confidential. Accordingly, CAO did not publish the agreement on the CAO website.

After the signing of the agreement, the case was transferred to CAO's dispute resolution monitoring and subsequently closed in February 2025, in accordance with the CAO Policy. This conclusion report provides an overview of the assessment and dispute resolution process.

¹ Projects #37633, #40386, #40390, #37636, #37637, #39728, #37580, #40019, #37713, #37591, #39995, #39997, #39729.

² Projects #14516, #14517, #14518, #14519, #14520, #14521, #13956, #14043, #13952, #13971, #14080, #14059.

BACKGROUND

The IFC and MIGA Projects

IFC is part of a consortium of nine international banks and other investors that are providing \$653 million (\$225 million from IFC) for the construction of 13 of the 41 solar power plants that make up the Benban Solar Park.³ The Park is a 36 sq km plot composed of 32 operational power plants that are operated by different companies, near the village of Benban. MIGA is supporting 12 active projects in the Solar Park. Of these 12 projects, three are financed by the IFC-led consortium and nine by the consortium led by the European Bank for Reconstruction and Development (EBRD).

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

All the project developers have joined together to form the Benban Solar Developers Association (BSDA) to manage the entirety of the Solar Park. BSDA hired a facility management company, Health and Safety Home (H&SH), to manage the operation and maintenance of the Solar Park and address environmental and social (E&S) and other relevant issues for the entire park.⁴

The Complaint

The complainant alleged that, although the Solar Park representatives had visited the villages in the Benban area and promised to provide a development plan for the villages, no plan had been distributed and no consultation with the community had taken place. He acknowledged the development programs that had already been implemented but also stressed that issues important to the local community such as education, health, and sanitation were unaddressed. Regarding the health issue, the complainant requested that BSDA support the effort of the local community to build a health center with dialysis capability.

In addition, the complainant stated that the project's headquarters and its grievance office are located 50 km away from the villages, making the submission of grievances and subsequent interaction almost impossible for the community. He requested that BSDA establish a local grievance office to offer accessibility to the Benban communities.

The complainant also claimed that the project has been bringing in outside labor for positions that could be filled by local people from the Benban communities. He stated that training should be provided, especially for the local youth, in order to integrate villagers into the project and offer them job opportunities.

During CAO's assessment, the complainant mentioned having participated in the public hearing session hosted by BSDA in September 2022. He said that at the session he received an explanation of the activities covered under the project's Corporate Social Responsibility (CSR) plan, which he had not been informed of before he filed the complaint to CAO. However, he still thought that BSDA should consult further with community members in Benban villages

³ Benban Solar Park is subdivided into 41 separate plots (projects) assigned to different developers of solar power plants, 32 of which are now operational, generating and transmitting electricity to the national grid.

⁴ Other issues include security and crisis management, traffic and roads management, solid waste management, wastewater management, community liaison and communications, central facilities services and the H&SH oversight and governance.

and amend its community development plan in a way that is adapted to the long-term needs of the community.

CAO Assessment

In July 2022, CAO determined that the complaint met its three eligibility criteria and began an assessment of the complaint. The purpose of the CAO assessment is to clarify the issues raised in the complaint, gather information on the views of different stakeholders, and determine whether the parties would like to pursue a dispute resolution process or prefer that the complaint be handled by CAO's Compliance function. The CAO assessment process does not entail a judgment on the merits of the complaint; rather, it seeks to understand the facts and empower those involved to make informed decisions on how to address the issues raised.

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. In accordance with the CAO Policy,⁵ the complaint was transferred to CAO's Dispute Resolution function in January 2023.⁶

DISPUTE RESOLUTION PROCESS

Preparation for dialogue and capacity building

In April 2023, CAO conducted capacity-building sessions with each of the parties, to prepare them for participating in the dialogue and ensure that they had the relevant knowledge and skills to engage in the dispute resolution process on an equal footing. These sessions were conducted in Aswan with the complainant and in a virtual setting with the representatives of BSDA. The sessions included training on conflict resolution, communication, and the CAO process. The CAO team provided additional capacity-building sessions to the parties throughout the whole mediation process, as needed.

Dialogue process

CAO convened the first in-person joint meeting between the complainant and the representatives of BSDA in Aswan, Egypt, in May 2023. During the meeting, the parties agreed to a Dispute Resolution Framework Agreement including confidentiality rules for all parties, which was later documented and signed by the parties on May 14, 2023. A representative from IFC attended the session as an observer.⁷

From June 2023 to December 2023, the parties engaged in negotiations through bilateral discussions facilitated by CAO on all issues raised in the complaint, in particular:⁸

- Establishing BSDA's local office within the Benban village to facilitate communication between the community members and avoid the inconvenience of traveling to Aswan;
- Providing employment opportunities at the Solar Park for the local community in Benban villages, especially for graduates from the Solar Energy School; and

⁵ CAO's Policy is available here: <https://www.cao-ombudsman.org/policies-guidelines>

⁶ For more information on the assessment phase, please refer to the assessment report: <https://www.cao-ombudsman.org/cases/egypt-benban-solar-04>

⁷ IFC's observer role at the in-person joint sessions was agreed upon by both parties. In addition to being bound by confidentiality, the observer provides only technical input, upon the invitation of CAO with the consent of the parties. MIGA did not provide an observer, as MIGA relies on IFC's due diligence and monitoring for projects in the Benban Solar Park. CAO shared progress on the dialogue with both IFC and MIGA to ensure effective coordination with both institutions.

⁸ One of the alleged issues regarding the health care center with kidney dialysis service was also discussed in the process. This initiative by BSDA had been in place before the complaint was filed with CAO, and during the process the parties acknowledged the availability of the facility, and the service provided.

- Establishing a mechanism for consultation between BSDA and the community, so that the community development plan by BSDA can consider the actual needs and desires of the community.

In January 2024, a second in-person joint meeting was held in Aswan. During the meeting, the representatives of BSDA presented the achievements made in response to the demands raised in the complaint, and the parties have reached a mutually satisfactory agreement on all the issues raised in the complaint. The parties delegated CAO and its mediator to draft an agreement document and follow up with them on the finalization and signing of the agreement.

During February and March 2024, CAO followed up with both parties to finalize the agreement document. The CAO mediator travelled to Aswan in April 2024 to meet with both parties to review the draft agreement document. The parties confirmed the content of the agreement and signed the final agreement on April 23, 2024. The parties agreed to a six-month monitoring period. As the parties agreed to keep the terms and conditions of the agreement strictly confidential, it was not disclosed on the CAO website.

Agreement monitoring

CAO began to monitor the implementation of the agreement in April 2024, in accordance with the CAO Policy. On February 4, 2025, during an in-person joint session facilitated by the CAO at the Solar Park, the parties confirmed their full satisfaction with the implementation of the agreement.

CAO formally closed the case in February 2025.

CONCLUSION AND NEXT STEPS

The parties expressed their satisfaction with the implementation of the agreement during the monitoring period. In accordance with CAO's Policy, CAO concluded the dispute resolution process and closed the case.

All relevant documentation is available on CAO's website at www.cao-ombudsman.org
See Appendix A for more information on the CAO complaint-handling process.

APPENDIX A. CAO COMPLAINT-HANDLING PROCESS

Once CAO declares a complaint eligible, an initial assessment is carried out by CAO's Dispute Resolution function. The purpose of CAO's assessment is to: (1) clarify the issues and concerns raised by the complainant(s); (2) gather information on how other stakeholders see the situation; (3) help stakeholders understand the recourse options available to them and determine whether they would like to pursue a collaborative solution through CAO's Dispute Resolution function or whether the case should be reviewed by CAO's Compliance function.

As per the IFC/MIGA Independent Accountability Mechanism (CAO) Policy,¹ the following steps are typically followed in response to a complaint that is received:

Step 1: **Acknowledgment** of receipt of the complaint.

Step 2: **Eligibility**: Determination of the complaint's eligibility for assessment under the mandate of CAO (no more than 15 business days).

Step 3: **Assessment**: Assessing the issues and providing support to stakeholders in understanding and determining whether they would like to pursue a consensual solution through a collaborative process convened by CAO's Dispute Resolution function or whether the case should be handled by CAO's Compliance function to review IFC's/MIGA's environmental and social due diligence. The assessment time can take up to a maximum of 90 business days, with the possibility of extension for a maximum of 30 additional business days if after the 90-business day period (1) the parties confirm that resolution of the complaint is likely or (2) either party expresses interest in dispute resolution, and there is potential that the other party will agree.

Step 4: **Facilitating settlement**: If the parties choose to pursue a collaborative process, CAO's Dispute Resolution function is initiated. The dispute resolution process is typically based on or initiated by a Memorandum of Understanding and/or mutually agreed-upon ground rules between the parties. It may involve facilitation/mediation, joint fact finding, or other agreed resolution approaches leading to a settlement agreement or other mutually agreed and appropriate goals. The major objective of these types of problem-solving approaches will be to address the issues raised in the complaint, and any other significant issues relevant to the complaint that were identified during the assessment or the dispute resolution process, in a way that is acceptable to the parties affected.²

OR

Compliance Appraisal/Investigation: If the parties opt for an investigative process, the complaint is transferred to CAO's Compliance function. The complaint is also transferred to the Compliance function when a dispute resolution process results in partial or no agreement. At least one must provide explicit consent for the transfer, unless CAO is aware of concerns about threats and reprisals. CAO's Compliance function reviews IFC/MIGA's compliance with environmental and social policies, assesses related harm, and recommends remedial actions where appropriate following a three-step process. First, a compliance appraisal determines whether further investigation is warranted. The appraisal can take up to 45 business days, with the possibility of extending by 20 business days in exceptional circumstances.

¹ For more details on the role and work of CAO, please refer to the IFC/MIGA Independent Accountability Mechanism (CAO) Policy: <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/889191625065397617/ifc-miga-independent-accountability-mechanism-cao-policy>

² Where stakeholders are unable to resolve the issues through a collaborative process within an agreed time frame, CAO Dispute Resolution will first seek to assist the stakeholders in breaking through impasse(s). If this is not possible, the Dispute Resolution team will inform the stakeholders, including IFC/MIGA staff, the President and Board of the World Bank Group, and the public, that CAO Dispute Resolution has concluded the dispute resolution process and transferred it to CAO Compliance for appraisal.

Second, if an investigation is warranted, the appraisal is followed by an in-depth compliance investigation of IFC/MIGA's performance. An investigation report will be made public, along with IFC/MIGA's response and an action plan to remediate findings of noncompliance and related harm. Third, in cases where noncompliance and related harm are found, CAO will monitor the effective implementation of the action plan.

Step 5: **Monitoring and Follow-up**

Step 6: **Conclusion/Case Closure**

