

Dispute Resolution Conclusion Report
Regarding the Complaint Received in Relation to IFC's Investment in Lomé Container Terminal (LCT) in Lomé, Togo
(IFC Project: #29197)

July 2025

OVERVIEW

In February 2018, CAO received a complaint from the “*Mouvement Martin Luther King – La voix des sans voix*” (MMLK), a local NGO representing over 400 affected community members who claimed to be negatively impacted by the operations of Lomé Container Terminal S.A. (the “company” or “LCT”), in Lomé, Togo. The complainants self-identified as belonging to five professional groups: market gardeners, women sand collectors, sand loaders, caterers, and lashing men.¹

The complainants raised concerns about the inadequate implementation of the project's Resettlement Action Plan (RAP) and its socio-economic impacts on local communities, as well as about LCT's labor practices. CAO found the complaint eligible in March 2018. During CAO's assessment of the complaint, the company and the complainants elected to address the issues raised through CAO's dispute resolution process.

Early in the dispute resolution process, the lashing men took LCT and Marine Lashing Services (MLS) to court. As a result of the initiation of the lawsuit, LCT expressed the position that it would no longer pursue mediation with the lashing men. When CAO inquired, the lashing men expressed a lack of interest in having their issues transferred to CAO's Compliance function. Therefore, for the purposes of the CAO process, their matter was considered closed.

The CAO-facilitated mediation process began in August 2018, between LCT and the other four groups of complainants. In March 2023, while the negotiations of a potential draft agreement were ongoing, an internal conflict among the complainants led some of them to leave the mediation process. The remaining 160 individuals belonging to the caterers and sand loaders groups chose to remain in the mediation process. Those who left the process informed CAO that they were not interested in transferring their concerns to CAO's Compliance function. Therefore, for the purposes of the CAO process, their matter was considered closed.

The mediation continued with the remaining 160 individuals. In October 2023, the complainants and LCT reached a full and final mediation agreement focusing on livelihood restoration measures for the affected communities. In accordance with the CAO policy, CAO monitored the implementation of the agreement until closure in May 2025. This conclusion report documents key outcomes from the process, including challenges, insights, and lessons learned.

¹ Lashing men are manual skilled dockworkers that attach containers on ships.

BACKGROUND

The IFC project

From the time the complaint was filed with CAO in 2018 until 2024, IFC had an active investment in LCT, a locally incorporated company that was awarded a 35-year concession by the Government of Togo, with an optional ten-year extension, to develop, construct, and operate a greenfield transshipment container terminal within the Port of Lomé, in Togo.

IFC provided senior debt financing of €85.5 million (about \$100 million) for its own account and mobilized €170 million (about \$200 million) from other lenders. IFC estimated the LCT project would cost €353 million (about \$415 million). Due to the potential resettlement and biodiversity impacts, IFC classified the project as Category A, which indicates the potential for significant adverse environmental and social risks.

The complaint

A complaint was submitted to CAO in February 2018 by MMLK, representing communities allegedly impacted by LCT's operations.

The complaint included the names of individuals representing five groups of community members: market gardeners, women sand collector team leaders, sand loaders, caterers, and lashing men. The complainants alleged that LCT did not respect its commitments in relation to the project's Resettlement Action Plan (RAP). Specifically, they claimed that the execution of the RAP did not respect the environmental and social frameworks of the World Bank Group, African Development Bank, or other national and international legal frameworks, including the Togolese Constitution and the Universal Declaration of Human Rights (UDHR). The complainants further stated that the project impoverished the communities who made their living on the beach where the port was being developed and raised concerns regarding environmental pollution and health impacts on sand loaders. The complaint also raised labor concerns regarding hiring practices, dismissals, and wages of the lashing men, who were hired by a subcontractor of LCT.

The complaint letter to CAO is available on CAO's website at: www.cao-ombudsman.org.



CAO complainants on the beach in Lomé and the LCT project in the background.

CAO ASSESSMENT

CAO conducted an assessment of the complaint from May to August 2018. The assessment involved a review of project documents and online and in-person meetings with relevant stakeholders, including the complainants and their representatives, LCT management and operational team, the IFC project team, and the Port Authority of Togo (PAL).

During the assessment, the complainants and LCT agreed to engage in a voluntary CAO-facilitated dispute resolution process to address the issues raised in the complaint. In August 2018, the CAO assessment report was published, and the complaint was transferred to CAO's Dispute Resolution function.

DISPUTE RESOLUTION PROCESS

Capacity building and preparation for dialogue

As per CAO practice, CAO began the process by providing separate capacity building to the parties, to ensure they would be equipped with the skills and information needed to navigate the mediation process and represent their constituents at the negotiating table. During the course of the 5-year mediation process, some of the representatives from each side changed, and others took on their roles. In those instances, CAO made an effort to support the new representatives by providing them with ad hoc capacity-building sessions.

The purpose of these capacity-building sessions was to help the parties understand what to expect from the dispute resolution process and define the role of each party in the process, especially that of the representatives. Other topics included the key principles of mediation and CAO's role. The capacity building also sought to equip the parties with the necessary communication and negotiating tools to effectively engage in the mediation.

The lashing men issue

In August 2018, one week prior to the start of capacity-building sessions, it came to CAO's attention that one of the five complainant groups, the lashing men, had taken LCT and Marine Lashing Services (MLS)² to court, without providing prior notice to CAO.

In response to the initiation of the court proceedings, LCT communicated to CAO and the complainants that it was no longer willing pursue the mediation process with the lashing men, although it was committed to proceed with the other four groups.

CAO worked with the complainants through joint and bilateral discussions to clarify their decision to continue the mediation process without the lashing men. The four remaining groups met with LCT in a joint meeting and stated that they were prepared to go ahead with the CAO dispute resolution process without the lashing men.

Ground rules agreement

The dispute resolution process continued between LCT and the four remaining complainant groups: the market gardeners, caterers, sand loaders, and women sand collector team leaders. In the first joint meeting, held in September 2018, the parties came to an agreement on the ground rules that would guide their engagement through the mediation process. They included rules around behavior during the negotiations, confidentiality, and the use of the

² MLS was the company that LCT subcontracted and which hired the lashing men.

media during this process. They also agreed upon the presence of two observers, one from IFC and one from MMLK.

In October 2018, the parties jointly identified the substantive issues that they wished to address during the mediation and the order in which they should be addressed, as follows:

1. Issues related to the resettlement
2. Issues related to compensation
3. Socioeconomic issues.

The issues related to environmental pollution and health impacts, which had been originally included in the complaint, were not included by the parties in the mutually agreed mediation agenda.

The dispute resolution process continued through regular bilateral engagement with the parties and joint sessions, facilitated by CAO. The joint sessions allowed the parties to explore the issues in depth and better understand the other parties' interests and perspectives. Occasionally, the parties requested the IFC observer to provide information or clarifications in relation to the IFC's standards and operations.

During a joint session in April 2019, which included the IFC observer, both parties agreed to an audit to assess the situation of the project-affected people, which was expected to provide data that could inform the mediation in an objective way. They agreed that LCT would conduct the audit while ensuring collaboration with the complainants. CAO facilitated communication and contributions between the parties during the audit.

The audit started in September 2019. LCT shared the Terms of Reference (TOR) with the complainants' representatives and selected the auditors. CAO facilitated joint meetings to allow the auditors to meet the complainants and explain the objectives of the process and the methodology that would be used to collect the data.

The audit data collection took place in November 2019, and the dispute resolution process was paused while waiting for the report to be issued. At the end of August 2020, the complainant representatives were given access to a hard copy of a summary report detailing the conclusions and recommendations of the auditors, and a month later the auditors presented their recommendations and conclusions in a joint online meeting facilitated by CAO. The parties were given an opportunity to ask questions and suggest inputs to be considered for the final audit report.

The summary audit report, which the parties chose to keep confidential, assessed the adequacy of the RAP and included recommendations to restore the livelihoods of project-affected community members who suffered socio-economic impacts from the construction of the port. The auditors suggested various recommendations to LCT to improve the situation of the project-affected community.

Continued negotiations and division among the complainants

After the completion of the audit in 2020, the mediation process continued for nearly three years, as the parties proposed options for resolution that were put on the table and negotiated. During that time, the parties and CAO faced significant challenges that slowed down the process, including the COVID-19 outbreak and the passing of the CAO mediator.

By 2023, the parties had reached an impasse. When LCT put its final offer on the table, in March 2023, the complainants found themselves divided, with some wishing to accept the offer and sign an agreement and others refusing it. The split became entrenched and led the complainants who were against LCT's offer to voluntarily withdraw from the mediation process. Around 160 of the over 400 complainants who had initially filed the complaint, belonging to the caterers and sand loaders groups, agreed to remain in the mediation process. In accordance with CAO's policy, CAO requested the consent of those who left the mediation process to

transfer the case to CAO's Compliance function. However, they informed CAO that they were not interested in the CAO compliance review process and, therefore, for the purposes of the CAO process, they considered their part of the complaint closed.

Mediation agreement and monitoring phase

In October 2023, CAO facilitated a joint meeting between the complainants and LCT, during which they reached a full and final mediation agreement focusing on livelihood restoration measures for the complainants, including the distribution of food packs, health insurance coverage for one year, and technical and financial support for income generation projects. The agreement document was not disclosed on the CAO website, per the parties' request. After signature, CAO transferred the case to the dispute resolution monitoring phase, to monitor its implementation.



The parties and CAO during a joint meeting (left) and the signing of the mediation agreement (right).

Soon after the parties reached agreement, LCT hired two consultants to oversee the implementation of the agreement and provide technical assistance to the complainants in preparation for the launch of the livelihood restoration measures. As provided in the agreement between the parties, LCT verified the eligibility of the complainants for livelihood support, based on conditions mutually agreed upon by the parties. Out of the 160 signatories, only 90 complainants were deemed eligible and were able to benefit from the livelihood restoration measures. However, as a goodwill gesture, LCT decided to offer food packs to the ineligible complainants.

With regard to the eligible complainants, LCT distributed food packs with items of the complainants' choice, offered medical insurance plans to each complainant, and provided financial support for individual income generation projects of the complainant's choice. Additionally, LCT provided a week-long technical training to the complainants to support them in the selection of their projects and equip them with the skills and knowledge necessary to set up successful and sustainable businesses. The complainants who benefited from the agreement selected a wide range of projects, from hairdressing, catering, transportation, and gardening, to the sale of groceries, construction materials, and others.

During the implementation of the measures, LCT's team and consultants consistently engaged with the complainants and supported them every step of the way to provide technical information and answer questions. LCT also organized multiple information sessions with the complainants to explain the conditions for using the health insurance. CAO routinely communicated with both parties to ensure that implementation was on track. Several field visits

were conducted, including to the income generation projects, and joint meetings between LCT and the 90 complainants were facilitated to ascertain the level of collaboration between the parties and provide support as needed. CAO was pleased to observe a dramatic improvement in direct collaboration between the parties during the implementation of the agreement, which signaled that trust had been built and relationships had been repaired.

Once the roll-out of all the income generating projects was completed in March 2025, CAO traveled to Lomé to visit the projects and asked the parties whether they were satisfied with the implementation of the agreement. Both parties responded positively, and therefore CAO decided that it was time to close the case. The complainants expressed great appreciation for the financial support that LCT offered to set up the projects, which had already enabled them to make some profits and pay off prior outstanding debts. They also demonstrated profound gratitude for the health insurance, which allowed several complainants who had become severely ill during the monitoring phase of the agreement to have access to high-quality hospitals and receive life-saving medical care.



Photos of complainants carrying out their livelihood restoration projects financed by LCT.

In May 2025, CAO hosted a ceremony in Lomé to celebrate the closure of the case. The ceremony was attended by the complainants and their representatives, LCT's CEO and team, and several Togolese government officials. Each party's representatives gave speeches that expressed heartfelt gratitude and mutual respect and their overall satisfaction with the outcome of the mediation process. While acknowledging that it had been a long and challenging process, the parties conveyed deep appreciation for the role of CAO in managing the process in an inclusive and neutral way. They noted that the mediation process had made them appreciate the value of patience and the importance of being open to understanding the other side's viewpoint.

CHALLENGES, REFLECTIONS, AND LESSONS LEARNED

a) Force majeure events contributing to the lengthening of the process

The COVID-19 outbreak inevitably produced delays to the mediation process, as it limited the ability of CAO and the parties to meet in person. CAO and the parties had to find a way to continue their engagement without escalating health risks. It took some time for the parties, especially the complainants who did not have easy access to the internet, to adapt to having meetings online. Similarly, the passing of CAO's local mediator caused a halt in the process until CAO could find a suitable replacement. Introducing a new mediator during the ongoing process was a challenge in itself, as a relationship of trust needed to be forged between the parties and the new mediator. Furthermore, the change of pace and extended duration of the process risked undermining the success of the case, as it led some of the participants to become discouraged and temporarily disengage from the process.

b) Division among the complainants and fear of reprisals

The division that arose within the complainants group during the final negotiations disrupted the mediation process and threatened its continuation. What began as a disagreement among the complainants as to whether they would accept the company's offer escalated to an open conflict when certain complainants became vocal about their disagreement with their representatives at the mediation table and started to receive threats from other members of the complainants group. The situation posed a significant challenge to the mediation team, and it required firmness and nerve for the mediator to maintain neutrality while mitigating the rapid deterioration of relationships between the parties. When it became clear that some community members were no longer receiving accurate information from their representatives about the process, the mediation team had a responsibility to draw attention to this issue and ensure it would be resolved before the complainants could reengage with LCT. Eventually, the complainants did not manage to find a common stance and ended up splitting, with some of them voluntarily leaving the mediation process. While it was an unfortunate development, it allowed those who were willing to accept the company's offer to sign the agreement.

c) The important role of parties' representatives

Representatives play a crucial role in mediation and have an onerous job, especially when they are acting on behalf of a large community. They need to be credible and trustworthy and keep their constituents informed throughout the dispute resolution process. The represented community members should receive enough information to be able to understand how their inputs are weighed and acted upon. If the feedback loop breaks, the process should allow for flexibility to replace representatives when they no longer enjoy the trust and support of their constituents. Often, this will require the mediation ground rules agreement to be amended to mark the change in the representation structure.

d) Trust is strengthened through actions

Both parties expressed their satisfaction with the dispute resolution process and how it helped them develop a relationship of trust and engage in positive collaboration. Before the CAO process, their relationship was very antagonistic and full of resentment. Through the promotion of nonviolent communication and the management of negative emotions, the mediation team supported the parties to be aware of the impact of their verbal and nonverbal communication on the other party. The parties improved their communication style to be more constructive and less confrontational, allowing them to explore areas of common ground and paving the

way to the agreement. Finally, what was key in solidifying trust between the parties was the follow-through of their commitments and the consistency between what was promised verbally and what was put into action.

CONCLUSION AND NEXT STEPS

The parties managed to resolve their dispute through the CAO-facilitated dispute resolution process. Given the parties' mutual satisfaction with the implementation of the terms of the mediation agreement reached in October 2023, the CAO closed the case after dispute resolution monitoring in June 2025.

All relevant documentation is available on CAO's website at www.cao-ombudsman.org

See Annex A for more information on CAO's complaint-handling process.



The complainants, LCT, and the CAO team during the CAO case closing ceremony in May 2025.

IN MEMORIAM:

CAO honors the memory of Ms. Mariama Conteh (former mediator), Ms. Kpeli Abia, Ms. Adjikou Ena, Ms. Pomevo Nontouze, Ms. Bamezon Beatrice, Ms. Djoglo Mama, Ms. Gamado Nyamissi, Ms. Hekpo Akouvi, Mr. Adje, Ms. Kloli Adjo (former caterers), and Mr Kossi (former peller) who were part of the Togo/LCT-02 dispute resolution process. We extend our deepest condolences to their families, colleagues, communities, and friends.

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, and (3) help stakeholders understand the recourse options available to them and determine whether they would like to pursue a collaborative solution through CAO's Dispute Resolution function or whether the case should be reviewed by CAO's Compliance function.

As per the IFC/MIGA Independent Accountability Mechanism (CAO) Policy,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**

