

**INTERNATIONAL FINANCE CORPORATION**

**MANAGEMENT REPORT AND MANAGEMENT ACTION PLAN  
IN RELATION TO THE**

**CAO COMPLIANCE INVESTIGATION REPORT**

**ON**

**MASDAR BAYNOUNA  
JORDAN – MIDDLE EAST**

**(PROJECT No. 39339)**

February 1, 2025

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## **ABBREVIATIONS AND ACRONYMS**

CAO	Compliance Advisor Ombudsman
CAO Policy	IFC/MIGA Independent Accountability Mechanism (CAO) Policy dated June 28, 2021
CLO	Community Liaison Officer
CSR	Corporate Social Responsibility
E&S	Environmental and Social
ESAP	Environmental and Social Action Plan
ESDD	Environmental and Social Due Diligence
ESIA	Environmental and Social Impact Assessment
ESMS	Environmental and Social Management System
ESRP	Environmental and Social Review Procedure
FPIC	Free, Prior, and Informed Consent
GoJ	Government of the Hashemite Kingdom of Jordan
GM	Grievance Mechanism
GN	Guidance Note
ha	Hectare
ICP	Informed Consultation and Participation
IFC	International Finance Corporation
km <sup>2</sup>	Square kilometer
LRP	Livelihoods Restoration Plan
MAP	Management Action Plan
MW	Megawatt
PAPs	Project Affected People
PSs	IFC Performance Standards (2012)
PV	Photovoltaic
SEP	Stakeholder Engagement Plan
SIA	Social Impact Assessment
SSV	Supervision Site Visit
US\$	United States Dollar
WBG	World Bank Group

## EXECUTIVE SUMMARY

- i. The International Finance Corporation (IFC), as part of the World Bank Group (WBG), is committed to financing, structuring, and leading complex transactions in emerging markets and providing implementation support. IFC actively invests in commercially driven renewable energy in Jordan to diversify the country's fuel mix and improve energy security.<sup>1</sup>
- ii. In October 2018, IFC provided financing for the development, construction, and operation and maintenance of a 200-megawatt (MW) greenfield solar photovoltaic (PV) plant ("the Project"), operated by the Masdar Baynouna Solar Energy Company ("Baynouna," "the Company," or "the client") (Project #39339).<sup>2</sup> It is the largest independent solar PV plant in Jordan.
- iii. In February 2020, a complaint was lodged with the Office of the Compliance Advisor Ombudsman (CAO) regarding the Project by a local community member on behalf of himself and 66 other community members (together, "the Complainants").<sup>3</sup> The Complainants raised issues related to three major areas of concern for the Al Balqa Bedouin tribal communities: (i) a lack of compliance with environmental and social (E&S) regulatory requirements; (ii) threats and reprisals against some of the Complainants; and (iii) a lack of economic opportunities for the community members. The Complainants and the Company agreed to engage in a dispute resolution process led by the CAO. Despite the efforts of the parties to resolve the issues raised in this complaint, however, a final agreement was not reached. A compliance appraisal process was completed in May 2022<sup>4</sup> and the CAO Compliance Investigation Report was released in October 2024.
- iv. IFC has applied its Sustainability Policy throughout its appraisal and supervision of the Project, which confirmed the Project's closure of Environmental and Social Action Plan (ESAP) action items and continued progress towards PS compliance.
- v. IFC's E&S due diligence (ESDD) indicated that the investment would likely have risks and impacts related to the following Performance Standards (PSs): (i) PS1 (Assessment and Management of Environmental and Social Risks and Impacts); (ii) PS2 (Labor and Working Conditions); and (iii) PS3 (Resource Efficiency and Pollution Prevention). While IFC noted limited signs of seasonal use by herders who move through the Project area periodically, it considered that Land Acquisition and Involuntary Resettlement (PS5) was not applicable based on: (i) verification that the land leased by Baynouna is owned by the Hashemite Kingdom of Jordan (GoJ) and not the subject of other land ownership claims; and (ii) verification that the Project did not interfere with informal agricultural land use (seasonal livestock grazing) activities, which were limited and could also occur outside the Project site on similar, nearby land. Nevertheless, IFC

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<sup>1</sup> <https://www.ifc.org/en/what-we-do/sector-expertise/infrastructure/energy>

<sup>2</sup> <https://disclosures.ifc.org/project-detail/SII/39339/masdar-jordan>

<sup>3</sup> Filed February 11, 2020. [https://www.cao-ombudsman.org/sites/default/files/downloads/Complaint%20letter\\_Masdar%20Baynouna\\_Jordan\\_Redacted.pdf](https://www.cao-ombudsman.org/sites/default/files/downloads/Complaint%20letter_Masdar%20Baynouna_Jordan_Redacted.pdf)

<sup>4</sup> [https://www.cao-ombudsman.org/sites/default/files/downloads/CAO%20Dispute%20Resolution%20Conclusion%20Report\\_Masdar%20Baynouna\\_February%202022\\_EN\\_0.pdf](https://www.cao-ombudsman.org/sites/default/files/downloads/CAO%20Dispute%20Resolution%20Conclusion%20Report_Masdar%20Baynouna_February%202022_EN_0.pdf); [https://www.cao-ombudsman.org/sites/default/files/downloads/CAO\\_Compliance\\_Appraisal\\_Masdar%20Baynouna-01\\_Jordan\\_May\\_2022\\_Redacted.pdf](https://www.cao-ombudsman.org/sites/default/files/downloads/CAO_Compliance_Appraisal_Masdar%20Baynouna-01_Jordan_May_2022_Redacted.pdf); [https://www.cao-ombudsman.org/sites/default/files/downloads/TOR\\_Compliance\\_Investigation\\_MasdarBaynouna\\_AR.pdf](https://www.cao-ombudsman.org/sites/default/files/downloads/TOR_Compliance_Investigation_MasdarBaynouna_AR.pdf)

incorporated additional actions in the ESAP to mitigate possible impacts on informal land use and to address potential gaps in stakeholder engagement.

vi. While IFC considers that the ESDD was appropriate given the likely level of E&S impacts, IFC acknowledges that the Project may have benefited from more systematic socio-economic baseline data collection and impact assessment that documented Project-related impacts on affected communities, including tribal groups and traditional customary users of Project land for seasonal herding and cultivation of fodder. This could have allowed their identification upfront, leading to their more explicit inclusion in targeted stakeholder consultations.

vii. IFC does not agree with CAO's findings and recommendations related to PS7 on Indigenous People. During IFC's ESDD, IFC conducted an analysis to assess the applicability of PS7 in line with the Sustainability Policy. At the time, IFC also consulted with the World Bank who confirmed that the World Bank has not applied its ESS7 (Indigenous Peoples) on any active projects in Jordan. IFC considered the applicability of PS7 again during the drafting of this report and re-affirmed that the PS7 characteristics do not apply in this Project.

viii. During the Project development process, a grievance handling process was set up and has been implemented throughout by the Company, although there were documentation gaps in case handling. IFC acknowledges that these gaps in documentation impeded its ability to assess the effectiveness of the Grievance Mechanism (GM). IFC has provided support to the Company to strengthen its GM, with an emphasis on timely and comprehensive resolution of grievances, accurate documentation and information disclosure.

ix. This Management Report describes IFC's response to CAO's investigation findings and recommendations, including a detailed Management Action Plan (MAP). The proposed MAP actions are designed considering IFC's role as a lender. The actions materially cover CAO's recommendations, however, they are structured and formulated along the lines of the interests and priorities expressed by the Complainants during IFC's MAP consultations.

x. In IFC's proposed MAP, the client, with IFC support, will conduct a Social Impact Assessment (SIA) to provide more comprehensive information on Project Affected People (PAPs), including the Al Balqa Bedouin tribes and herders represented by the Complainants. If the SIA finds economic displacement resulting from the Project, the client will develop and implement a Livelihoods Restoration Plan (LRP) that includes adequate and feasible mitigation measures. IFC will review the SIA and LRP and monitor its implementation as part of its regular Project supervision. In addition, an independent audit of the LRP will be conducted.

xi. The client, with IFC support, will expand the current Stakeholder Engagement Plan (SEP) to include any additional stakeholders identified in the SIA. This will also include a review of the current GM processes and procedures. IFC will review the GM case handling as part of its regular Project supervision.

xii. IFC appreciates the willingness and openness of the Complainants and the Company to engage with IFC and is grateful for their cooperation during IFC's site visit in December 2024. IFC remains in communication with the Complainants and looks forward to further engaging with them and the Company during the MAP implementation.

## I. INTRODUCTION

1. The International Finance Corporation (IFC), as part of the World Bank Group (WBG), is committed to financing, structuring, and leading complex transactions in emerging markets and providing implementation support. As part of this commitment, IFC provided debt financing for the development, construction, and operation and maintenance of a 200-megawatt (MW) greenfield solar photovoltaic (PV) plant (“the Project”) of the Masdar Baynouna Solar Energy Company (“Baynouna,” “the Company,” or “the client”),<sup>1</sup> located in the Amman Governorate in Jordan.

2. This Management Report responds to the Compliance Advisor Ombudsman (CAO) investigation of a complaint that CAO received from a local community member on behalf of himself and 66 other community members (together, “the Complainants”) in February 2020. The Management Report is organized into seven sections: (i) Section I is an Introduction; (ii) Section II outlines the Project; (iii) Section III elaborates on the complaint; (iv) Section IV presents IFC Management’s response to CAO’s compliance investigation findings and recommendations, including an overview of actions taken by the company; (v) Section V reflects the outcomes of the consultations with the Company and the Complainants; (vi) Section VI presents the Management Action Plan (MAP); and (vii) Section VII provides the Conclusion. Annex 1 contains the MAP in table format.

## II. THE PROJECT

3. The 200MW Baynouna solar PV plant is located in the Muwaqar and Sahab districts of the Amman Governorate, just outside of the Greater Amman Municipality area. The plant occupies a 600-hectare (ha) plot, located 30 kilometers north of Amman and 8.5 kilometers from the nearest village. The Project supplies electricity to the Jordanian National Electric Power Company grid under a 20-year Power Purchase Agreement with Masdar, as the main sponsor. The Baynouna plant is currently the largest independent solar PV plant in Jordan.

4. Total Project costs were financed with US\$188 million in long-term debt (with an 18.5-year tenor) and US\$47 million in equity. The US\$188 million long-term debt component is broken down as follows: (i) US\$53.75 million in an IFC A loan; (ii) US\$43.50 million in IFC B loans (two B-Lenders), and (iii) US\$90.75 million in Parallel loans (three Parallel Lenders). IFC, the Parallel Lenders, and the B-Lenders are referred to as the Lenders.

5. The Project was committed in December 2017 and was fully disbursed in September 2021. Construction of the plant is completed, and the plant is generating electricity. The investment remains active as the loan has not yet matured.

6. The Project was considered an Environmental and Social (E&S) Category B, meaning there was potential for limited adverse E&S risks and/or impacts that were few in number, generally site-specific, largely reversible and readily addressed through mitigation measures. IFC’s E&S due diligence (ESDD) indicated that the investment would likely have risks and impacts related to the

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<sup>1</sup> <https://disclosures.ifc.org/project-detail/SII/39339/masdar-jordan>

following Performance Standards (PSs): PS1 (Assessment and Management of Environmental and Social Risks and Impacts); PS2 (Labor and Working Conditions); and PS3 (Resource Efficiency and Pollution Prevention).

7. IFC considered that PS4 (Community Health, Safety, and Security) was not applicable as no villages or permanent settlements were present on or nearby the Project site and security management would be low-profile. The ESDD did not identify any features or species that would make PS6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources) applicable. PS8 (Cultural Heritage) was not considered applicable based on an archaeological survey and confirmation by the Jordanian Department of Antiquities, which was confirmed during construction.

8. IFC considered that PS5 (Land Acquisition and Involuntary Resettlement) was not applicable as the land was leased by Baynouna from the Ministry of Finance/Department of Lands and Survey on behalf of the Government of the Hashemite Kingdom of Jordan (GoJ). As part of its due diligence, IFC verified GoJ ownership based on the Title Deed and Land Lease Agreement.

9. The Company contracted a consulting firm to prepare the Project's Environmental and Social Impact Assessment (ESIA), which also confirmed the absence of any land ownership claims. As IFC did note limited signs of variable seasonal land use by herders who move through the Project area (principally plowing and grazing), it requested verification with local stakeholders to determine whether the Project would interfere with such informal land use. This confirmed that such activities were limited and could also be undertaken on nearby, similar land located outside the Project site. Nevertheless, IFC incorporated two actions in the Environmental and Social Action Plan (ESAP) to mitigate any effect on limited and variable seasonal informal land use and to address any potential gaps in stakeholder engagement.

10. IFC determined that Indigenous Peoples (PS7) did not apply as no Indigenous Peoples had been identified in the Project area. During IFC's ESDD, IFC conducted an analysis to assess the applicability of PS7 in accordance with the Sustainability Policy. This determination was in line with the World Bank's application of ESS7 (Indigenous Peoples) for its projects in Jordan. The IFC team consulted further with the World Bank during the preparation of this Management Report and confirmed again that ESS7 is not applied to any active World Bank projects in Jordan. IFC considered the applicability of PS7 again during the drafting of this report and re-affirmed its determination that it was not applicable.

11. The Environmental and Social Review Summary and the ESAP were disclosed in May 2017.<sup>2</sup> IFC identified specific areas that the Company would need to address to be in line with the PSs. All ESAP items had time-bound delivery dates.

12. IFC conducted supervision and monitoring activities that included in-person and virtual meetings with the Company for Supervision Site Visits (SSV), review of the monitoring reports from the Lenders' Environmental and Social Advisor (a qualified third-party consulting firm) and the Project's E&S Annual Monitoring Report between 2018 and 2024. During supervision, IFC verified completion of ESAP items and compliance with IFC PS requirements. IFC has conducted

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<sup>2</sup> See: <https://disclosures.ifc.org/project-detail/ESRS/39339/masdar-jordan>

eight SSVs since 2018. The first SSV was in September 2018, just prior to the start of construction, to confirm that the E&S Management System (ESMS) and associated E&S Management Plans (ESMPs) would be in place when construction started. IFC conducted four SSVs during the construction phase and four SSVs during the operational phase.<sup>3</sup> Throughout the supervision process, IFC found that the Project's E&S performance was progressing in line with the ESAP items and towards compliance with the PSs, and that the Company's management was committed to addressing E&S concerns.

13. All seven ESAP items were completed in a satisfactory manner, including the two items that were related to engagement with herders and other Project stakeholders (ESAP items #3 and #7). This included the establishment and implementation by the Company of an "External Communication Procedure," including a Grievance Mechanism (GM) in line with IFC PS1. Engagement with livestock herders passing through the area was completed during the topographical study in 2018, prior to the start of construction.

### **III. CAO COMPLAINT**

14. In March 2020, CAO notified IFC of a complaint, Masdar Baynouna-01, that was filed in February 2020 by a lead Complainant on behalf of himself and 66 community members (together, "the Complainants"), relating to a wide range of E&S impacts on Al Balqa Bedouin tribal communities. CAO found the complaint eligible in March 2020 and released its Assessment Report in August 2020.

15. During the CAO assessment process, the parties agreed to participate in a CAO-led dispute resolution (DR) process, which occurred between August 2020 and September 2021. Despite their efforts in the DR process, which was complicated by the challenges of the global COVID-19 pandemic, the parties did not reach a final agreement. CAO transferred the case to its compliance function. IFC received the CAO Compliance Investigation Report in October 2024.

16. The CAO Compliance Investigation Report indicates that the complaint centers on the Complainants' status as self-identified users of the land in the Project area. While IFC and Baynouna assert that the Project site is government-owned land, with large areas used previously for military exercises, the complaint states that tribal members, including herders, had used it for hundreds of years to cultivate barley for fodder, graze livestock and use the available natural resources, including wadis (seasonal water channels). More specifically, the issues analyzed in the CAO Compliance Investigation Report include: (i) Failure to identify and consult Al Balqa Bedouin tribal groups and herders as affected communities, and assess Project risks and impacts on them; (ii) Exclusion of Al Balqa Bedouin tribes from the stakeholder engagement process; (iii) Failure to adequately assess whether the Al Balqa Bedouin tribes may be considered Indigenous Peoples, as traditional owners and customary users of the Project land; (iv) Land rights violations

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<sup>3</sup> Site visits by a qualified third-party consulting firm (i.e., the lenders' environmental and social advisor) and/or IFC have been conducted every 3-4 months, beginning in October 2018 prior to construction starting. Exceptional circumstances due to COVID-19 prevented this regular schedule from being kept, but remote supervision continued and site visits by the qualified third-party consulting firm have resumed.



and associated livelihood impacts; and (v) Failure to include Al Balqa Bedouin tribal groups in development benefits and opportunities.

17. The issues raised by the Complainants evolved through the different stages of the CAO process. Initial concerns related to threats and reprisals were resolved during the DR stage, when “the lead Complainant informed CAO that the threats had stopped and that the Complainants no longer felt at risk.”<sup>4</sup> As such, the concern of reprisal was not further considered in the subsequent compliance investigation. The Complainants further requested CAO to exclude from their initial claim some other issues related to the lack of compliance with E&S regulatory requirements, such as a non-compliant ESMS, cumulative environmental degradation, and air pollution.<sup>5</sup>

18. CAO made four recommendations for IFC to remediate the Project-level non-compliances and related harm. CAO also made one systemic-level recommendation to strengthen internal guidance and controls within IFC Management to ensure that, prior to Board approval, all significant potential and known E&S risks and impacts of an investment and their proposed mitigation measures are identified and fully analyzed by IFC to determine that the investment activities will meet relevant PSs within a reasonable period of time.

#### **IV.MANAGEMENT RESPONSE TO CAO FINDINGS AND RECOMMENDATIONS**

19. IFC Management acknowledges the important issues raised in the complaint and respects CAO’s process in its assessment of the complaint. This section explains IFC’s perspectives as to the requirements under the Sustainability Framework in relation to the issues raised.

##### **A. Actions by IFC and the Company to engage with the Complainants and seek complaint resolution**

20. IFC has provided guidance to Baynouna on its E&S management during the life of the Project, with the aim of strengthening the client’s E&S performance in general, and specifically in response to the concerns raised by the Complainants.

21. IFC and the Company interacted with the lead Complainant on several occasions. In December 2018, Baynouna had a first meeting with the lead Complainant to discuss concerns he had raised with the client directly. In July 2019, one of the B-lenders informed IFC of a complaint that had been filed with its independent complaints mechanism and was found inadmissible. IFC raised this with the Company, who confirmed in writing that it remained open to engaging with the lead Complainant.

22. In September 2019, IFC organized and facilitated a multi-party in-person dialogue between the lead Complainant, the Company, and some of the Lenders in Jordan. The lead Complainant and the Company subsequently agreed to participate in a constructive dialogue process that took place between September and November 2019. The lead Complainant then submitted a complaint to the Project Grievance Mechanism in November 2019. IFC helped the Company organize several

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<sup>4</sup> CAO Dispute Resolution Report (February 2022), page 3.

<sup>5</sup> CAO Compliance Appraisal Report (May 2022), page 9.

in-person meetings with the lead Complainant from December 2019 to February 2020, when the lead Complainant filed the complaint with CAO.

23. The Company took several additional measures with IFC's support and guidance. The Company improved its stakeholder engagement by: (i) hiring three additional Community Liaison Officers (CLOs) to support the lead CLO, who were nominated by their respective leaders (sheikhs), to represent the different local communities; and (ii) developing a comprehensive Stakeholder Engagement Plan (SEP) that replaced its existing External Communication Procedure.<sup>6</sup> The SEP formalized the CLOs' role, established a more systematic stakeholder engagement process, and improved grievance handling.

24. Baynouna also developed a local recruitment procedure that was compliant with the Jordanian Regulation for Obligatory Employment of Jordanian Workforce from Surrounding Communities in Development Projects 131/2016, which the Company and its Engineering, Procurement and Construction Contractor implemented through the CLOs, complemented by the local authorities in an advisory role. Furthermore, the Company voluntarily developed a Corporate Social Responsibility (CSR) plan, reflecting the Company shareholders' CSR objectives and including support to local community initiatives, based on a strategy of integrating relevant stakeholders' views, including those of identified vulnerable groups, community representatives, and nongovernmental organizations.

## **B. IFC Responses to CAO Findings**

25. In its Compliance Investigation Report, CAO found several instances of non-compliance by IFC with its Sustainability Policy, both during Project due diligence and supervision, particularly related to client performance regarding PS1, PS5, and PS7. These concerned mainly the lack of adequate inclusion of the Bedouin herders and/or Al Balqa Bedouin tribal members in the stakeholder engagement, vulnerability analysis, Indigenous Peoples analysis, and social impact assessment, including lack of an economic displacement assessment. CAO found that, as a result, IFC did not specify any timebound conditions in the ESAP or as an E&S condition of disbursement requiring Baynouna to mitigate social risks and impacts to these stakeholder groups.

26. CAO further found that these instances of non-compliance may have potentially caused harm to the Bedouin herders and/or Al Balqa Bedouin tribal members, including the Complainants. In this case, indications of harm refer to possible exclusion of Project Affected People (PAPs) from stakeholder engagement, resulting in a lack of awareness among the PAPs of the potential Project impacts on their livelihoods, including restrictions on access to land for which the PAPs may have had informal customary usage rights, and lack of compensation for economic livelihood-related loss. Indications of harm also relate to inadequate information disclosure about the grievance mechanism (GM) that PAPs could utilize. CAO finds other indications of potential harm in relation to inadequate determination of application of PS7, including potential adverse social impacts to tribal integrity and cultural identity, and potentially depriving the Al Balqa Bedouin herders of their right to Free, Prior, and Informed Consent (FPIC) and Informed Consultation and

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<sup>6</sup> An "External Communication Procedure," outlining the procedures for stakeholders to express concern and/or queries about the Project free from retribution and including an effective, accessible GM, in line with IFC PS1, was established by the Company and implemented by CLOs, as requested by IFC at appraisal based on its due diligence (ESAP item #3).

Participation (ICP), along with culturally appropriate development benefits and opportunities had PS7 been determined to apply.

### C. General CAO Compliance Findings

#### **CAO Findings in Relation to IFC Due Diligence – General**

CAO found that IFC's pre-investment E&S due diligence was not commensurate with the solar plant's scale and the level of E&S impacts, as required by the Sustainability Policy (paragraph 26), given that the project footprint was 600 ha or six square kilometers and there was documented evidence of land use within the site. IFC failed to adequately undertake "due diligence of the level and quality of the risks and impacts identification process carried out by its clients against the requirements of the Performance Standards" (Sustainability Policy, paragraph 12), in this case PS1, PS5, and PS7. As a result, IFC was unable to assure itself that the project would be implemented in accordance with these relevant PS (Sustainability Policy, paragraphs 3 and 7).

27. IFC affirms that it conducted its ESDD commensurate with the Project's likely level of E&S impacts, including due consideration for the identified indications of limited and variable seasonal uses of land in the Project area and surroundings.

28. As part of its ESDD, IFC conducted a pre-appraisal visit in January 2017, during which IFC observed limited signs of informal (seasonal, variable) land use, involving plowing for cultivation on Project and surrounding land. IFC requested that the consulting firm preparing the ESIA further investigate these practices and any Project impacts. The firm identified a small number of stakeholders, who confirmed that such activities were limited and could also be carried out outside the Project site. The final ESIA, approved by the Jordan Ministry of Environment and issued in February 2017,<sup>7</sup> was reviewed by IFC and found to be in line with PS requirements. As the ESIA was issued prior to the spring season, which is the most active agricultural period, it included a recommendation to further assess the seasonal cultivation of fodder at the Project site and to identify land users and PAPs prior to construction.<sup>8</sup> IFC's ESDD also concluded that there were no villages or other permanent settlements that were affected on or nearby the Project site, yet incorporated the recommendations from the ESIA into the ESAP, to mitigate any effect on variable seasonal informal land use and to address potential gaps in stakeholder engagement. IFC notes that the interviews that were conducted with informal land users at appraisal did not point to the need for stricter monitoring at that time, since the users did not express any concern about their ability to conduct their activities elsewhere.

29. As part of its ESDD, IFC also verified land ownership by the GoJ of the Project site, based on the Registration of Immovable Property of the Land (the Title Deed), including the Land Lease Agreement.<sup>9</sup>

30. At the time, this risk-based determination (in the ESDD) and related mitigation (in the ESAP) was commensurate with the identified risks. However, the limited and variable seasonal presence of herders in the area and the availability of similar nearby land created challenges in

<sup>7</sup> <https://disclosures.ifc.org/project-detail/ESRS/39339/masdar-jordan> (see ESIA under Client Documentation).

<sup>8</sup> ESIA, 2017, page 183.

<sup>9</sup> The Ministry of Finance and Department of Lands and Survey, acting on behalf of the GoJ, signed a Land Lease Agreement with the Company for the plant as part of the Project in October 2016.

determining actual informal land use of the Project site. Therefore, the ESDD may have benefitted from more systematic socio-economic baseline data.

#### **CAO Findings in Relation to IFC Supervision – General**

During project supervision, IFC fell short in its efforts to work with Baynouna to align the project with the Performance Standards and address adverse E&S impacts on PAPs (Sustainability Policy, paragraphs 7 and 45).

31. IFC has applied its Sustainability Policy throughout the supervision of the Project, confirming the Project's closure of ESAP items and continued progress towards PS compliance. IFC conducted supervision and monitoring activities that included eight in-person and virtual SSVs with the Company since 2018; review of site visit and monitoring reports by the Lenders' E&S advisor (a qualified third-party consulting firm); the Project's E&S Annual Monitoring Report to Lenders for calendar years 2018 to 2024; review of evidence that ESAP items identified during the appraisal were adequately addressed in accordance with conditions of the investment, and review of evidence of the Company's compliance with the PSs.

32. IFC worked with the Company to address changes in business activity circumstances. IFC reviewed the Company's period revisions of the ESMP as part of the ESMS, to put PS-compliant procedures in place and implement them in a timely manner for subsequent Project phases. After becoming aware of community grievances in 2019, IFC requested the Company to (i) develop a comprehensive SEP and GM; and (ii) assign three additional CLOs representative of different local communities. However, IFC acknowledges that it lacked some of the information and documentation needed to fully assess the effectiveness of the GM, in accordance with PS1 client requirements.

#### **Complaint Issue 1. Identification of affected communities, risks and impact assessment, and vulnerability assessment**

##### **CAO Finding in Relation to IFC's Social Impact Assessment and Identification of Affected Communities**

Contrary to ensuring Baynouna implemented its project in accordance with PS1, IFC did not require its client to identify and address "all relevant...social risks and impacts of the project... and those who are likely to be affected by such risks and impacts" (PS1 Guidance Note (GN)18, GN19, and GN23). Despite evidence pointing to the use of project land by herders for fodder and livestock, IFC did not require Baynouna, as part of its ESIA, to collect the necessary social baseline data and conduct an impact analysis on the herders. This led to a lack of consideration of whether the project would likely generate potential significant adverse impacts on affected communities, including tribal groups as traditional owners and customary users of project land.

33. As noted above, during a pre-appraisal visit by IFC in January 2017, limited signs of informal (variable, seasonal) land use – plowing for cultivation on the Project land – were observed. Whereas these were flagged by IFC for further investigation during the preparation of the ESIA, such analysis may have been complicated by the timing of the ESIA in relation to the active agricultural seasons (late autumn for cultivation and spring for grazing). The ESIA indicated

that “such activities occur in a very minimal manner and have also been observed outside the project area and surroundings.”<sup>10</sup> While the ESIA did not include conclusive information about the informal land use activities, it recommended assessing the land for seasonal cultivation for fodder and identifying land users and PAPs (prior to construction). IFC integrated these recommendations into the ESAP.

34. IFC agrees that the ESDD may have benefitted from more systematic socio-economic baseline data collection to inform comprehensive stakeholder identification, targeted land use monitoring in different seasons before construction, and impact assessment, which may have revealed the presence of intermittent land users and PAPs, including traditional customary users of Project land for seasonal herding and cultivation of fodder. However, the risk-based determination and related mitigation included in the ESIA was considered commensurate with the identified potential risk, based on the availability of similar land in close proximity and the limited and variable seasonal presence of herders in the area.

#### **CAO Finding in Relation to the Vulnerability of Herders**

IFC did not require Baynouna to assess whether the project may disproportionately affect the herders and their tribes because of their disadvantaged or vulnerable status, as required of the client under PS1 (paragraph 12). The vulnerabilities facing pastoralists, including Bedouin herders, are recognized globally and include insecure land tenure rights, diminishing land suitable for grazing due to increasing infrastructure projects, and unpredictable rainfall due to climate change, among other factors. Because IFC and its client did not identify the herders and tribal groups as disadvantaged or vulnerable, IFC did not require Baynouna to propose and implement any differentiated measures to ensure that adverse impacts do not fall disproportionately on these groups and that they are not disadvantaged in sharing development benefits and opportunities, per PS1 (paragraph 12).

This lack of vulnerability assessment on the herders meant that no differentiated measures were developed to avoid adverse impacts falling disproportionately on them and ensure they are not disadvantaged from sharing development benefits and opportunities.

35. Based on the findings in the ESIA, issued in 2017, and IFC’s ESDD and supervision activities, IFC did not find any indications of any individuals or groups that were directly and disproportionately affected by the Project because of their disadvantaged or vulnerable status. Regarding the herders passing through the area, factors determining their disadvantaged or vulnerable status as specified in PS1<sup>11</sup> were not detected. Relying on the statement in the ESIA that “such [land use] activities (...) have also been observed outside the project area and surroundings,”<sup>12</sup> the vulnerability factor of dependence on unique natural resources was not deemed applicable. Therefore, IFC did not require its client to conduct a vulnerability assessment nor propose and implement differentiated measures so that adverse impacts did not fall disproportionately on the herders, and that they were not disadvantaged in sharing development benefits and opportunities.

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<sup>10</sup> ESIA, 2017, page 126.

<sup>11</sup> Paragraph 12, footnote 18.

<sup>12</sup> ESIA, 2017, page 126.

36. IFC acknowledges that a more systematic socio-economic baseline data collection and impact assessment may have revealed indications of vulnerability for certain individuals or groups, and may have informed a need and scope for a vulnerability assessment and for developing differentiated measures.

**CAO Finding in Relation to the Inclusion of Social Impact Assessment in Timebound E&S Conditions**

The lack of a full analysis of the project's social risks and impacts during ESDD meant that IFC had no basis to determine whether the proposed investment activities could be expected to meet the relevant Performance Standards requirements within a reasonable period of time (Sustainability Policy, paragraphs 7 and 22). For the same reason, IFC was also unable to meet its obligation to determine the appropriate scope of E&S conditions attached to its financing in relation to the identification and management of project risks and impacts on Bedouin herders as potentially affected communities (Sustainability Policy, paragraphs 7 and 24). As a result, IFC did not specify any timebound conditions requiring Baynouna to mitigate social risks and impacts to Bedouin herders in a ESAP or as an E&S condition of disbursement. The IFC Board of Directors approved the investment without sufficient understanding of the social risks and impacts of the proposed project and whether the investment could meet relevant PS requirements.

37. IFC conducted its assessment of social impacts as part of its ESDD commensurate with the identified level of risks at appraisal. Based on this, IFC determined the scope of the E&S conditions attached to its financing. This included the two timebound actions in the ESAP (items #3 and #7) in response to ESIA recommendations to assess the seasonal cultivation of the land at the site and to identify land users/PAPs.

38. Both ESAP actions were completed before the start of construction. IFC acknowledges that the reporting by the Company to IFC (December 8, 2019) about the consultations held with herders passing through the area in August 2018 was not comprehensive enough to substantiate absence the of impacts. However, the limited number of herders reportedly passing through the area reconfirmed the understanding that such informal land use activities were limited.

39. IFC agrees that a more systematic and better documented socio-economic baseline data collection could have been conducive to a more proactive approach, in particular towards including Bedouin herders and/or Al Balqa Bedouin tribal members as potential users of Project land.

40. Overall, given the limited signs of informal land use observed at several consecutive occasions during appraisal (winter and early spring), which was confirmed by the limited number of herders passing through prior to construction (autumn), this approach was considered commensurate with the level of E&S risks and impacts and provided the IFC Board of Directors with a sufficient understanding of the social risks and impacts for their approval of the Project.

**Complaint Issue 2. Exclusion from stakeholder engagement process**

**CAO Finding in Relation to Adequate Stakeholder Identification and Analysis**

Contrary to ensuring that Baynouna implemented its project in accordance with PS1 (paragraph 26) requirements, IFC did not require Baynouna to conduct adequate stakeholder identification

and analysis that identified and assessed the interests of the full range of stakeholders, including herders, tribal groups, and relevant district authorities.

41. Throughout Project development, IFC monitored Baynouna’s stakeholder identification to ensure that it was carried out in line with PS1 requirements and included stakeholders that were directly or indirectly affected by the Project.

42. During the Project design phase, IFC requested that the ESIA consulting firm add local communities to the engagement process.<sup>13</sup> IFC participated as an observer in the ESIA scoping session (on January 26, 2017).<sup>14</sup> Two action items were inserted in the ESAP related to expanding stakeholder consultation by (i) establishing a communications procedure; and (ii) engaging with any yet-to-be-identified livestock herders.

43. During supervision, IFC requested the Company to increase stakeholder representation by adding three additional CLOs as representative of different local communities. The additional CLOs were nominated by their respective sheikhs. IFC also reviewed the stakeholder meeting logs to confirm sufficient representation of the surrounding communities.

44. The ESIA states that “the Project site is located in Telal Al Rukban area, belonging to Muwaqar District which falls in Amman Governorate.” The ESIA refers to Muwaqar District, Muwaqar Sub-District, and Rajm Al Shami Sub-District as population areas in the vicinity of the Project.<sup>15</sup> It does not refer to Sahab District, where the Complainants reside, whereas the Project’s site overlaps with both the Muwaqar and Sahab Districts. This likely led to the unintentional oversight of the Sahab District stakeholders from initial Project stakeholder engagement during the ESIA. The stakeholder engagement was expanded during the construction phase to also include the Sahab District in consultations related to employment and other Project interests, and to representation of the communities (one of the additional CLOs is from North Sahab).

#### **CAO Findings in Relation to Consultation**

Since herders or tribal groups were not identified as affected communities or stakeholders during pre-investment due diligence, IFC did not require its client to develop a stakeholder engagement plan, and no consultation took place with these groups to elicit their views on project risks, impacts, and mitigation measures (PS1, paragraph 30). Had IFC required its client to assess the extent of the solar plant’s potential impacts on Bedouin herders, and had the assessment shown potentially significant adverse impacts, the herders may have been entitled to an Informed Consultation and Participation process (PS1, paragraph 31).

45. Neither the ESIA nor IFC’s ESDD identified established villages or settlements on or nearby (i.e., within 8 kilometers) the Project site. Therefore, IFC did not initially require a full SEP. This approach was considered aligned with PS1, which requires the extent and degree of engagement in the consultation process to be commensurate with the Project’s risks and adverse impacts and with the concerns raised by the affected communities. Given that there were no

<sup>13</sup> See ESIA chapter 6.1.3.

<sup>14</sup> See ESIA, Appendix A.

<sup>15</sup> See ESIA, page 115.



indications of potentially significant adverse impacts on affected communities, the ICP process was not implemented.

46. The ESAP nevertheless included two action items related to stakeholder consultation (ESAP items #3 and #7). As such, seasonal land users who have historically used the Project area were indeed consulted on an ad hoc basis through interviews during the Project's development.

47. IFC's supervision included regular review of the stakeholder engagement procedures. For example, IFC requested the Company to develop a full SEP to replace the External Communication Procedure in response to increased stakeholder attention in 2019. The SEP was updated and disclosed on the Company's Project website (in English and Arabic) for the operational phase. While the SEP did not explicitly include herders and tribal groups in the stakeholder list, such stakeholders were included in the "communities" stakeholder groups listed under "stakeholders who may be directly or indirectly benefited/affected by the Project."

48. Further, as part of supervision, IFC regularly monitored the Company's implementation of stakeholder engagement procedures and verified through stakeholder meeting logs that local communities were sufficiently represented in Project-related consultations. IFC verified that the CLOs had regular meetings with the communities and their sheikhs. The logs contain the names of members of several families, including some that are part of the Complainants' tribal groups.

49. IFC agrees that such stakeholder groups might have been identified upfront through more systematic and better documented socio-economic baseline data collection and assessment of Project-related impacts on affected communities, leading to their more explicit inclusion in targeted stakeholder consultations.

#### **CAO Findings in Relation to Adequate Stakeholder Identification and Analysis**

In line with Sustainability Policy (paragraph 45) requirements, IFC worked with the client to address changed business activity circumstances in the form of local community protests and grievances that may result in adverse E&S impacts. IFC supported Baynouna's efforts to develop a stakeholder engagement plan that met PS1 requirements. However, the process took two years, which meant that the client did not have a PS-compliant SEP in place during the plant's construction or first year of operation. IFC noted to CAO that COVID-19 circumstances during this period caused challenges in project supervision such as delays in responsiveness by both IFC and the client. In addition, it is unclear on what basis IFC determined in November 2021 the final SEP met PS1 requirements. IFC did not ensure the client undertook an adequate stakeholder identification and analysis per PS1 (paragraph 26), and an appropriate SEP requires an understanding of who the relevant stakeholders are—in this case, the herders and the tribal groups who claim ownership of the land. IFC subsequently advised the client to add the ESIA stakeholder list to SEP drafts, but this list was inadequate due to the lack of robust stakeholder identification and analysis, and IFC did not require its client to undertake such analysis as part of the SEP's development. Consequently, the final SEP does not explicitly include herders and tribal groups in the stakeholder list. While IFC informed CAO that it considers "communities" listed in the SEP to implicitly include herders and tribal groups, herders continue to be excluded from any stakeholder engagements. Moreover, without an adequate stakeholder analysis, it is not clear whether the project's stakeholder engagements are adequately covering the relevant project stakeholders, including all relevant tribes and district authorities.



50. Baynouna established its External Communication Procedure in September 2018 and shared the first version of the construction SEP with IFC in September 2019. Given that the construction phase of the Project extended from early 2019 until December 2020, the Company did have a commensurate and PS-compliant stakeholder engagement procedure in place during the Project's construction. In July 2021, an updated SEP for the operational phase was completed. As a result, the Company had a PS-compliant SEP in place at all times during the Project's operations. IFC continuously worked with the Company to address changing business activity circumstances, including local community protests and grievances, and supported Baynouna's efforts to develop and update adequate stakeholder engagement procedures. IFC considers the SEP a living document, where updates are continuously added to reflect new information and changed circumstances.

**CAO Finding in Relation to Ineffective Grievance Mechanisms**

CAO finds that IFC met the Sustainability Policy (paragraph 45) requirement to work with the client to address changed business activity circumstances by recommending development of a GRM. However, throughout project supervision, IFC did not have the information needed to assess whether Baynouna was implementing the mechanism effectively. While IFC advised the client to adequately document all grievances, significant gaps remained in documentation of grievance handling processes, timely resolution of complaints, and information disclosure about the GRM. Hence, IFC's inadequate supervision fell short of the Sustainability Policy (paragraph 45) requirement to "work with the client to bring it back into compliance to the extent feasible," if the client fails to comply with its E&S commitments in the conditions for investment, which include PS1 requirements.

51. Throughout the Project development process, there has been a grievance handling process in place. The initial External Communication Procedure included a GM, with staff assigned to interface with Project stakeholders and respond to any grievances reported through it. This was followed by a full SEP with a comprehensive GM and description of the roles of the CLOs. While these grievance handling processes have been implemented, IFC acknowledges that there have been documentation gaps that did impede IFC's ability to assess the effectiveness of the GM. IFC has supported the client to further strengthen the process, through timely and comprehensive resolution, accurate documentation and information disclosure.

**Complaint Issue 3. Non-Recognition as Indigenous Peoples**

**CAO Finding in Relation to Non-Recognition as Indigenous Peoples**

IFC's failure to undertake adequate "due diligence of the level and quality of the risks and impacts identification process carried out by its clients against the requirements of the Performance Standards" (Sustainability Policy, paragraph 12) left it with insufficient information to determine the applicability of relevant Performance Standards, including PS7. CAO finds that IFC determined the inapplicability of PS7 without sufficient information specific to the project area. Contrary to its own guidance for determining whether PS7 applies to a particular group or groups of people, IFC did not require Baynouna to undertake ethnographic research or participatory approaches with the potentially affected communities claiming tribal ownership and customary use of project land (ESRP 3.2.2). Nor did IFC direct its client to undertake any assessments or studies, or to engage an external expert, to assess whether Bedouin

herders or Al Balqa Bedouin tribal members, including the complainants, met the PS7 criteria for Indigenous Peoples (PS7, paragraphs 3 and 7).

IFC took this approach despite knowledge of the likely seasonal presence of Bedouin herders in the project area. Moreover, because it did not require Baynouna to conduct a baseline social assessment, IFC had no social data to determine whether its client should engage in a process of Informed Consultation and Participation or FPIC in order to meet PS7 requirements (Sustainability Policy, paragraphs 30-31; PS1, paragraph 32; and PS7, paragraphs 9 and 11).

52. IFC does not agree with CAO's findings and recommendations related to PS7. During IFC's ESDD, IFC reviewed PS7 applicability in line with its Sustainability Policy and determined that PS7 does not apply to Bedouins in Jordan. IFC determined that the Bedouins in Jordan are a sizeable group that speaks Arabic (the Jordanian official language) and are reasonably well integrated into Jordanian society and culture. As part of the ESDD, IFC also consulted with the World Bank and confirmed that this determination is consistent with the World Bank's application of ESS7 (Indigenous Peoples), which was not applied to any active project in Jordan. The Lenders' 2017 Technical Advisor due diligence report also concluded that there were "no indigenous people in the project area."<sup>16</sup> IFC recognizes that documentation of its determination of the non-applicability of PS7 could have been more comprehensively recorded.

53. During the preparation of this report, IFC re-evaluated the applicability of PS7. This analysis included a review of the four characteristics outlined in PS7: (i) the communities' own perspective on whether they identify as Indigenous Peoples; (ii) their possible collective attachment to ancestral lands; (iii) their integration into the mainstream society and culture; and (iv) their use of a language different from the official language. IFC's conclusions remain the same: the Al Balqa are one of the many tribes self-identifying as Bedouin, maintaining genealogical records and tribal structure. IFC noted that the Al Balqa Bedouin tribes in the Project area do not self-identify as Indigenous People. Nor did the Complainants ever self-identify as Indigenous Peoples at any point throughout the handling of their complaint. While the Al Balqa Bedouin-tribes had ancestral or customary use of rangeland by herders located in the Project area, these lands do not hold ceremonial significance tied to their identity or community and are used on a seasonal basis for herding and cultivation of fodder. Bedouins have strong social cohesion and allegiance to their sheikhs (the head of the tribe) and convene regularly to discuss community matters, typically deferring to their customary laws to resolve their disputes prior to going to court. Despite this tribal structure, today, the majority of Bedouins have settled in urban and rural areas and are citizens integrated into Jordan's mainstream society, including through intermarriages, access to courts and participation in the broader political system. Finally, as determined in 2017, the Bedouins speak Arabic, the official language of Jordan.

#### **Complaint Issue 4. Land Rights Violations and Livelihoods Impacts**

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<sup>16</sup> Environmental and Social Due Diligence MASDAR/ Baynouna Solar, DNV-GL (April 6, 2017), see page 15.

Because IFC failed to undertake adequate due diligence of the level and quality of the client's risks and identification process (Sustainability Policy, paragraph 12) it had insufficient information, to determine the applicability of relevant PS, including PS5.

IFC did not require its client to assess land use and tribal customary land and usage rights, per PS5 client requirements, as part of the project risks and impacts assessment process, despite clear signs that Bedouin herders used the project land. IFC did not require an assessment of economic displacement of herders who cultivated fodder on project land, or an assessment of traditional usage rights of grazing land and natural resources by tribal groups. IFC did not require its client to carry out a census to collect socio-economic baseline data to identify the persons the project would displace.

Had IFC determined that PS5 applied to this project, IFC would have been required to ensure that Baynouna complied with the following PS5 requirements:

- Minimizing economic displacement by minimizing land take (PS5, paragraph 8).
- Developing a Livelihood Restoration Plan to ensure entitlements were provided to customary users in a transparent, consistent, and equitable manner (PS5, paragraph 25).

54. IFC Management agrees that applicability of PS5 on economic displacement should have been determined as part of IFC's ESDD and the Company's ESIA process for the Project.

55. IFC confirmed during the ESDD process that the Project site land was owned by the GoJ, based on the review of the Title Deed (dated July 27, 2017) and the Land Lease Agreement. The GoJ's ownership of the land remains unaffected by any alleged customary rights. Civil law (statutory law), customary law, and Islamic law operate concurrently in the Jordanian legal system. In case of conflict in relation to ownership rights, statutory law takes absolute precedence over customary law and Islamic law. In addition, any customary rights of usufruct for the public or a specific group of people (i.e., tribes) related to this land must be documented on the back of the title deed, which is not the case here. During IFC's most recent consultations with the Complainants, they acknowledged that the land is owned by the GoJ, and was previously reserved for military use, even if the land was not fenced and they had access (documented in approved meeting minutes).

56. Notwithstanding the GoJ's ownership of the land and absence of legally recognized customary rights attached thereto, IFC acknowledges that the land may have been subject to informal historical or customary land use practices preceding the development of the Project, based on references the Complainants made to arrangements between the tribal representatives and third parties such as the Royal Court or the Wajehat El Ashayeria Committee.

57. IFC's analysis during the ESDD considered that the indications of potential economic displacement were limited given the limited and variable seasonal informal land use. It further found that there was no indication of any land ownership or occupation claims by any group of people. No structures (buildings, fences, etc.) that would warrant compensation were found on the project areas of influence.

58. However, IFC considers that given these limited indications of potential economic displacement, PS5 should have been applied to assess and mitigate any impacts in a manner commensurate with the risks. More systematic socio-economic baseline data collection may have identified land users impacted by economic displacement. The actions proposed in IFC's MAP, in particular the SIA, will help determine any economic displacement resulting from restrictions on access to land or use of resources, such as freshwater and grazing and cropping areas for the tribal communities, including the Bedouin herders. If economic displacement is identified, IFC will ask the client to develop adequate mitigation measures, including compensation for any lost assets at full replacement cost (other than land, including crops, seeds, etc.) and/or livelihood restoration and other assistance to help them improve or restore their standards of living or livelihoods.

### **Complaint Issue 5. Exclusion from Development Benefits and Opportunities**

CAO's legal analysis indicates that national legal requirements<sup>17</sup> do not appear to explicitly impose obligations on Baynouna to provide job opportunities, local contracts, or other benefits specifically for, or with priority to, the complainants' tribal communities. In this regard, national law was not explicitly applicable to providing jobs or procurement opportunities to the Complainant communities.

While CSR does not necessarily involve benefits sharing and is not a requirement under the Performance Standards, compliance with applicable national law is a PS requirement. However, CAO's legal analysis found no legal requirement for CSR activities.

IFC's inadequate due diligence led to its inability to ensure the project would be implemented in accordance with the relevant PS (Sustainability Policy, paras. 3, 7, and 12), in this case benefit-sharing requirements under PS1, PS5, and PS7. Because IFC did not identify any affected communities, including vulnerable groups or tribal groups who could be considered Indigenous Peoples, IFC did not require its client to conduct an informed consultation and participation or FPIC process, which would have included consultation on culturally appropriate development benefits and opportunities (PS1, paragraphs 12 and 31; PS7, paragraph 18). Similarly, because IFC did not apply PS5 to the project, it did not require Baynouna to provide displaced communities and persons access to appropriate development benefits (PS5, paragraph 9). While IFC reported that the client made efforts to go beyond national requirements and verified tribal representation among its workforce during construction, IFC should have ensured this process was based on adequate stakeholder analysis and identification of affected communities. Because no such analysis was conducted, Baynouna did not consult with the project-affected tribal groups on the sharing of development benefits and opportunities, as required by PS1 (paragraph 31), nor did IFC require the client to do so. Such consultations would

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<sup>17</sup> "The Investment Law (No. 30) of 2014, which was applicable at the time of Baynouna's project preparation and construction, does not explicitly impose obligations on investors to employ Jordanians. The 2014 law provided certain exemptions and incentives but [these] were not linked to any in-country value to local communities, or local procurement and employment. While the GoJ repealed the 2014 law with the passage of the Investment Environment Law (No. 21) in 2022, which establishes obligations on local value addition such as local employment and procurement, it allows for customs or tax exemptions under the 2014 law to continue for the period granted or for seven years from the date the new law went into effect. Thus, if the Baynouna project received exemptions and incentives under the 2014 law, they are not linked to value addition to local communities and are not relevant to the complaint issue." (CAO Compliance Investigation Report, page 59, footnote no. 273).

potentially have included employment opportunities and benefits through the company's local CSR activities.

59. IFC concurs with CAO's legal analysis of the legal requirements on Baynouna regarding local job opportunities, contracts and CSR activities. IFC notes that the Company developed and implemented a local recruitment procedure compliant with the Jordanian Regulation for Obligatory Employment of Jordanian Workforce from Surrounding Communities in Development Projects 131/2016, during construction, thus aiming to employ a local workforce. IFC also notes that the Company supports various CSR measures that have been developed in consultation with stakeholders.

### **IFC Response to CAO Recommendations**

60. IFC's response is informed by consultations and ongoing engagement with the Complainants (see Section V). The actions proposed by IFC in the MAP materially cover CAO's recommendations and are structured and formulated along the lines of the interests and priorities expressed by the Complainants during IFC's MAP consultations as well as the Project's ESAP. IFC notes that the Complainants and Client expressed broad support for the proposed MAP.

61. To improve community relations, IFC's response to CAO's recommendations is to work closely with the Company to strengthen its SEP and grievance handling.

62. For actions that require IFC to collaborate with the Company, IFC will provide guidance, bearing in mind that Baynouna is ultimately responsible for the effective implementation and results of such actions. IFC's suggestions will be aligned with the requirements of its Sustainability Framework and good international industry practices.

63. IFC's responses to CAO's recommendations are provided below, including those recommendations that IFC is unable to address in a MAP or that IFC has already addressed.<sup>18</sup> The MAP is included in Annex A in table format and is explained in Section VI of the report. Management notes the ongoing instability in the region, which may cause delays for IFC to start the participatory design or implementation of the MAP due to travel restrictions or circumstances compromising the safety and security of all stakeholders involved.

### **Project-Level Recommendations**

#### **CAO Recommendation 1**

- a. Work with the client to conduct a social impact assessment (SIA) that includes an ethnographic assessment of Al Balqa tribes' and herders' customary land ownership and land use. The assessment should include: (i) consultations with herders and tribal members who claim ownership of the Qa'fur area where the project is located; (ii) a vulnerability assessment; and (iii) a study of customary usage rights and uses of the land occupied by the project, covering at least a period of five years prior to the fencing. The assessment's outcome should inform the development of adequate mitigation measures that address the

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<sup>18</sup> CAO Policy, paragraph 132.



impacts identified, including appropriate compensation for the loss of customary land rights under PS5 and, if applicable, PS7 requirements. In consultation with the affected Al Balqa herders, culturally appropriate and sustainable development benefits should be developed, in line with the applicable PS requirements.

- b. If the SIA determines that PS7 applies to the project, IFC should work with the client and a PS7 regional expert to establish an Indigenous Peoples Plan for the ongoing project in line with the PS7 requirements, including a PS7-compliant stakeholder benefits-sharing approach.
- c. Work with the client and a PS5 regional expert to develop a Livelihoods Restoration Plan (LRP) in line with PS5 requirements. The plan should be developed in close engagement with the Bedouin herders, those who plowed the land and planted barley, and the Al Balqa, should their customary usage rights be confirmed in point 1a above. In that case, the LRP should also meet the land-related requirements of PS7 (paragraphs 13-14). IFC should work with the client to procure the services of qualified experts to implement the LRP, monitor implementation, and conduct a livelihood restoration completion audit. As part of the LRP, the client may consider mitigation measures to reduce and offset the loss of fodder growing on the 6.3 km<sup>2</sup> of project land before it was fenced. Examples may include assessing the feasibility to produce fodder on the 2km<sup>2</sup> that is not occupied by solar panels, harvesting the grass that grows naturally under the solar panels, or allowing controlled access to herders to graze their livestock on the naturally growing grass under the panels. Because approximately 4km<sup>2</sup> of the land that is not fenced remains unused by the project, IFC should consider advising its client to relinquish its lease rights over this land, perhaps at least until a plan for future use is clear. The compensation paid to the three herders should be assessed to determine whether it met PS5 requirements for loss of assets at full replacement cost, including compensation for the standing barley that was not allowed to be harvested after the area was fenced. Informed by the outcome of 1a above, adequate livelihood restoration measures should be provided to the three herders.
- d. Work with the client to develop adequate stakeholder identification and analysis, with inputs from the above SIA and an ethnographic assessment. IFC should ensure the outcomes of this process are reflected in the project SEP and GRM.

64. IFC will support the Company to conduct a supplementary Social Impact Assessment (SIA), which will be conducive to the implementation of the other actions and any mitigation measures. The SIA will include the Al Balqa Bedouin tribes and herders represented by the Complainants as well as any (other) communities potentially impacted by the Project. However, the SIA will not revisit IFC's determination regarding the application of PS7. The objective of the SIA is to provide conclusive information on PAPs and the range of mitigation measures to be implemented in compliance with the PS requirements. If warranted, this may include conducting and implementing a Livelihoods Restoration Plan (LRP) and providing additional compensation to the previous grievances of three herders submitted to the GM. IFC notes that such mitigation measures will be implemented in compliance with the PSs and addressing the PAPs. IFC explained this process during its consultations with the Complainants and received positive feedback on the

approach. IFC will disclose the results of the SIA and the LRP on its disclosure portal after redacting confidential and sensitive information.

65. Based on the further identification of PAPs and stakeholders in the SIA, IFC will guide the Company to expand the current SEP to include any newly identified stakeholders. Following a review of the current community GM, IFC will guide the Company to improve the GM as needed to support its effective functioning. Any update to the GM will be reflected in the updated SEP. The Company will then be expected to implement (retroactively) any mitigation measures and/or revised resolutions that are identified in relation to past and/or closed grievances. IFC will continue reviewing the updated GM and SEP as part of its regular Project supervision activities.

66. All actions in the MAP will be implemented in a participatory and culturally appropriate manner. During its consultations related to the MAP, IFC noted the Complainants' preference for in-person consultations and will consider and respect this in future interactions.

### **Systemic-Level Recommendations**

#### **CAO Recommendation 2**

To address the underlying causes of the non-compliance findings in this investigation, CAO recommends that IFC:

In line with the findings of other recent CAO investigations, strengthen internal guidance and controls within IFC Management to ensure that, prior to Board approval, all significant potential and known E&S risks and impacts of an investment and their proposed mitigation measures are identified and fully analyzed by IFC to determine that the investment activities will meet relevant Performance Standards within a reasonable period of time. While the Sustainability Policy does not explicitly require IFC to review a complete and robust ESIA or other appropriate environmental and social analytical tools prior to Board approval, such a review is necessary for IFC to deliver on its obligations under the Sustainability Policy. ESIA's and other related analytical instruments were developed to make informed decision making. Their importance has long since been recognized as key to helping financial and other institutions ensure that the projects they support consider the environmental and social impacts and risks as early as possible, in order to effectively avoid, reduce, or compensate for those effects. IFC should include in its guidance to staff explicit expectations regarding the responsibility of project teams to review ESIA's and other related instruments to ensure that they are fit for purpose and effectively inform IFC's due diligence, monitoring, and supervision. Having such internal guidance and controls in place will also strengthen IFC's leverage to ensure client conformance with relevant Performance Standards through loan covenants, the project E&S Action Plan, and other relevant means.

67. IFC notes that per its Sustainability Policy, IFC integrates ESDD into its overall investment review process and presents it to the Board of Directors when the investment activity is presented for approval (paragraph 21 of the Sustainability Policy). IFC will only finance investment activities that are expected to meet the requirements of the PSs within a reasonable period of time (paragraph 22). The section on ESDD (paragraphs 20-25) provides a clear description of the process, which

includes a thorough assessment of the E&S risks and impacts of the proposed investment before it is presented to the Board.

68. IFC PS1 (2012) defines client requirements to establish and maintain a process for identifying the E&S risks and impacts of a project (paragraphs 7-12 of PS1). Relevant project-related documents and information (or “analytical instruments”) available at the time of the ESDD are reviewed. However, it must be considered that there are various E&S-related information sources and depending on the Project, not all are available or pertinent prior to Board meeting.

69. The Environmental and Social Review Procedure (ESRP) defines the E&S requirements and process for Board approval. The objective of IFC’s E&S review is to provide the Board of Directors and IFC Management with information on the key E&S risks and impacts of the project. This includes details on mitigation measures and any remaining residual risks. It also includes details on the client’s capacity and commitment to fill any gaps identified to meet the PSs. The E&S considerations for the Board Paper include: (i) setting out the project E&S risk category and rationale; (ii) summary of significant E&S risks and issues identified during appraisal, including contextual risk and policy-exceptions (if any); (iii) the client’s existing ESMS (if any); (iv) identified gaps with the PSs and their significance to the client’s achievement of PS objectives; (v) any E&S risk management implementation risks identified at appraisal which could result in lack of compliance with the PS; (vi) any pending supplemental studies, their completion timeline and underlying risks that such studies will address; the client’s capacity and commitment; and (vii) the client’s historical E&S performance in case of repeat transactions.

70. In addition, the Access to Information Policy requires IFC to disclose E&S information, including any relevant E&S assessments, once IFC is assured that the client is expected to undertake the project in a manner consistent with the PSs.

71. IFC’s current policies and procedures address the legacy issues identified by the CAO in the context of its investigation. On the basis of this and similar recommendations that CAO has made in recent CAO cases, IFC has consulted the CAO on the ESRP update since July 2024. As a result of these consultations a new paragraph was included in the most recent ESRP update of January 2025, which clearly identifies responsibilities and internal controls to timely identify and review relevant information and inform the Board accordingly. In addition, language was included in the ESRP regarding structuring of the ESAP and E&S condition in the legal agreement. IFC understands that these changes reflect improvements to the satisfaction of the CAO. Therefore, no further actions are proposed in response to CAO’s systemic-level recommendations.

## **V. CONSULTATIONS WITH THE COMPANY AND COMPLAINANTS**

72. As per the CAO Policy, IFC consulted on the draft MAP with the Complainants and Baynouna.

### **Consultation with Complainants**

73. All actions proposed in IFC’s MAP have been consulted upon with the Complainants and all activities related to these actions will be designed and implemented in a culturally adequate manner, taking into consideration the needs of the affected communities, their potential loss of



access to lands and natural resources and to culturally appropriate opportunities and benefits, in accordance with PS5 and PS1 requirements.

74. Prior to the in-person consultations, the IFC team conducted two virtual meetings with the lead complainant on November 18 and 26, 2024. IFC then met in person with the Complainants in Amman and at the Project site during the week of December 2, 2024.

75. During the in-person consultations, IFC presented an overview of its position on CAO's findings and recommendations. IFC shared its proposed MAP and solicited the perspectives of the Complainants. IFC received verbal feedback on the proposed MAP, which informed the further development of the final actions, the related deliverables and timelines for implementation, and IFC's engagement with the client on Project-level actions.

76. During the visit to the Project site, IFC met with a number of Complainants, some of whom are herders who claim to have used the land in and around the Project site. IFC also met with some Complainants who indicated they submitted complaints to the Project-level GM. To ensure that the voices of women were also heard, both separate and joint meetings were held with women. IFC engaged thoroughly to understand their concerns and experiences in relation to the Project.

77. IFC explained to the Complainants that the SIA will be the first action to be undertaken as part of the MAP and will help to identify any other actions, including mitigation measures, that may be warranted. The Complainants confirmed their understanding that any adequate and feasible mitigation measures will only be developed if additional Project-related impacts on stakeholders are identified as part of the SIA.

78. The IFC team held a virtual follow-up meeting on December 18, 2024, with the Complainants to discuss a finalized version of the MAP prior to submission. The Complainants confirmed their understanding of the final actions in the MAP. The IFC team explained the next steps in the CAO process to ensure that the Complainants understood the timeline and outcomes related to IFC's proposed MAP.

79. Minutes of all meetings, including virtual and in-person, were shared and confirmed with the Complainants.

80. IFC is grateful for the willingness and openness of the lead Complainant and the Complainants to engage with IFC, and their cooperation with the IFC team during its visit to Amman and the Project site.

### **Consultation with Baynouna**

81. IFC actively engaged with Baynouna and Masdar (sponsor) to discuss the CAO Compliance Investigation Report, its recommendations and IFC's proposed MAP actions in response to the Project-level recommendations. Meetings took place with Baynouna virtually and in person in Amman during the week of December 2, 2024.

82. Engagements with Masdar and Baynouna focused on understanding the findings and associated recommendations in CAO's Compliance Investigation Report, the proposed MAP

actions, including deliverables and timelines, and collaboration with IFC on implementation. Masdar and Baynouna agree with the proposed MAP and are committed to implement its actions.

83. Masdar and Baynouna agree that the IFC MAP presents an opportunity to build on existing E&S policies and procedures, including those related to stakeholder engagement, grievance management, and impact mitigation.

### **Engagement with CAO**

84. Prior to submission of this report, Management engaged with CAO on IFC's proposed response to CAO's recommendations. IFC answered detailed technical questions on the proposed MAP and incorporated suggested changes in this report and the MAP.

## **VI. MANAGEMENT ACTION PLAN (MAP)**

85. The MAP presented in Annex A reflects the actions and limitations described in the section above. It is divided in two sections: IFC's response to Project-specific recommendations and its response to broader, systemic recommendations.

86. It presents actions that have been agreed upon with the client. The level of detail presented below is commensurate with the timelines set out by the CAO Policy for IFC to present a response to a CAO investigation.

## **VII. CONCLUSION**

87. Management appreciates CAO's constructive engagement and the detailed assessment in CAO's Compliance Investigation Report.

88. Management acknowledges that while the ESDD for the Project was appropriate given the likely level of E&S impacts, the Project may have benefited from a more systematic socio-economic baseline data collection and impact assessment documenting Project-related impacts on affected communities, including tribal groups as traditional customary users of Project land for seasonal herding and cultivation of fodder. This could have allowed the identification upfront of herders or tribal groups using the land, leading to their more explicit inclusion in targeted stakeholder consultations.

89. Management does not agree with CAO's findings and recommendations related to PS7 on Indigenous Peoples. During IFC's ESDD, IFC conducted an analysis to assess the applicability of PS7 in line with the Sustainability Policy. At the time, IFC also consulted with the World Bank and its determination was consistent with the World Bank's application of ESS7 (Indigenous Peoples), which was not applied to any active World Bank project in Jordan. IFC re-evaluated the applicability of PS7 during the drafting of this report and affirmed that the PS7 characteristics do not apply.

90. In response to CAO's Project-specific recommendations, IFC proposes that the client conduct a SIA, with IFC support, to provide conclusive information on PAPs, including the AI

Balqa Bedouin tribes and herders represented by the Complainants. The SIA will determine whether additional mitigation measures are required. If the SIA finds economic displacement resulting from the Project, the client will develop and implement an LRP that includes adequate and feasible mitigation measures. IFC will review the SIA and LRP and monitor its implementation as part of its regular Project supervision.

91. The client, with IFC support, will also expand the current SEP to include any additional stakeholders identified in the SIA. This will also include a review of the current GM processes and procedures. Based on the SIA findings and, if relevant, based on the LRP, the client will evaluate the compensation provided to the three herders whose grievances were resolved earlier via the Project GM and determine if further compensation is warranted. IFC will review GM case handling as part of its regular Project supervision.

92. In response to CAO's systemic-level recommendations, IFC Management concludes that IFC's current policies and procedures address the legacy issues identified by the CAO in the context of its investigation. On the basis of this and similar recommendations that CAO has made in recent CAO cases, IFC has consulted the CAO on the ESRP update since July 2024. As a result of these consultations, a new paragraph was included in the most recent ESRP update of January 2025 that reflects improvements to the satisfaction of the CAO. Therefore, no further actions are proposed in response to CAO's systemic-level recommendations.

93. Management thanks the Complainants in the development of the IFC MAP and looks forward to their continued engagement and participation in MAP implementation.

## ANNEX A: MANAGEMENT ACTION PLAN (MAP)

The tables below present IFC's proposed Management Action Plan (MAP) in response to Compliance Advisor Ombudsman (CAO) Project-specific and systemic recommendations that IFC is able to address.

PROJECT-LEVEL RECOMMENDATIONS/ACTIONS			
CAO RECOMMENDATION	ACTION/ACTIVITY	RESPONSIBLE ENTITY	DELIVERABLES / TIMELINE
<b>Recommendation 1a</b>			
Work with the client to conduct a SIA that includes an ethnographic assessment of Al Balqa tribes' and herders' customary land ownership and land use. The assessment should include: (i) consultations with herders and tribal members who claim ownership of the Qa'fur area where the project is located; (ii) a vulnerability assessment; and (iii) a study of customary usage rights and uses of the land occupied by the project, covering at least a period of five years prior to the fencing. The assessment's outcome should inform the development of adequate mitigation measures that address the impacts identified, including appropriate compensation for the loss of customary land rights under IFC PS5 and, if applicable, PS7 requirements. In consultation with the affected Al Balqa herders, culturally appropriate and sustainable development benefits should be developed, in line with the applicable PS requirements.	<p>The client, with IFC support, will conduct a supplementary Social Impact Assessment (SIA). The objectives of the SIA will be to: (i) provide conclusive information on PAPs; and (ii) as needed, identify adequate and feasible mitigation measures aligned with applicable PS requirements. IFC will disclose the results of the SIA on its disclosure portal after redacting confidential and sensitive information.</p> <p>The SIA will not consider the application of PS7 (see response to 1b).</p> <p>The outcomes of the SIA will determine actions 1c and 1d below.</p>	Client, with IFC support	<p>SIA</p> <p><i><u>Note: timing dependent on agricultural cycle, although estimated to be May 2025</u></i></p>

PROJECT-LEVEL RECOMMENDATIONS/ACTIONS			
CAO RECOMMENDATION	ACTION/ACTIVITY	RESPONSIBLE ENTITY	DELIVERABLES / TIMELINE
<b>Recommendation 1b</b>			
If the SIA determines that PS7 applies to the project, IFC should work with the client and a PS7 regional expert to establish an Indigenous Peoples Plan for the ongoing project in line with the PS7 requirements, including a PS7-compliant stakeholder benefits-sharing approach.	IFC finds that its determination of PS7 applicability followed the correct process and that its conclusions were consistent with WBG precedent in Jordan. No further actions are proposed.	n/a	n/a
<b>Recommendation 1c</b>			
Work with the client and a PS5 regional expert to develop a Livelihoods Restoration Plan (LRP) in line with PS5 requirements. The plan should be developed in close engagement with the Bedouin herders, those who plowed the land and planted barley, and the Al Balqa should their customary usage rights be confirmed in point 1a above. In that case, the LRP should also meet the land-related requirements of PS7 (paragraphs 13-14). IFC should work with the client to procure the services of qualified experts to implement the LRP, monitor implementation, and conduct a livelihood restoration completion audit. As part of the LRP, the client may consider mitigation measures to reduce and offset the loss of fodder growing on the 6.3 km <sup>2</sup> of project land before it was fenced. Examples may include assessing the feasibility to produce fodder on the 2 km <sup>2</sup> that is not occupied by solar panels, harvesting the grass that grows naturally under the solar panels, or allowing controlled access to herders to graze their livestock on the naturally growing grass under the panels. Because approximately 4 km <sup>2</sup> of the land that is not fenced remains unused by the project, IFC should consider advising its client to relinquish	<ol style="list-style-type: none"> <li>1. <u>If the SIA finds past / ongoing economic displacement</u> as a result of the Project, the client will conduct and implement an IFC PS5-compliant Livelihoods Restoration Plan (LRP) as part of adequate and feasible mitigation measures. IFC will review the LRP, monitor its implementation as part of its regular Project supervision, and support the client to undertake an external completion audit. IFC will disclose the LRP on its disclosure portal after redacting confidential and sensitive information.</li> <li>2. The client, with support from IFC, will evaluate the compensation provided to the three herders whose grievances were resolved via the GM. Based on the SIA findings and livelihood restoration-related mitigation measures, and the specifics of the respective cases, the client will determine whether additional compensation is warranted. IFC will review the outcome of this process as part of its regular Project supervision.</li> </ol> <p><i>Note: Consistent with the proposed approach in response to Recommendation 1b, IFC does not propose to deliver any activities related to the applicability of PS7.</i></p>	Client, with IFC support	<ol style="list-style-type: none"> <li>1. LRP developed <u>six months after finalizing the SIA</u>, followed by LRP Implementation and Post-implementation report</li> <li>2. Evaluation Report of Grievance Resolution including corrective actions as needed, <u>six months after completing the SIA</u></li> </ol>

PROJECT-LEVEL RECOMMENDATIONS/ACTIONS			
CAO RECOMMENDATION	ACTION/ACTIVITY	RESPONSIBLE ENTITY	DELIVERABLES / TIMELINE
its lease rights over this land, perhaps at least until a plan for future use is clear. The compensation paid to the three herders should be assessed to determine whether it met PS5 requirements for loss of assets at full replacement cost, including compensation for the standing barley that was not allowed to be harvested after the area was fenced. Informed by the outcome of 1a above, adequate livelihood restoration measures should be provided to the three herders.			
<b>Recommendation 1d</b>			
Work with the client to develop adequate stakeholder identification and analysis, with inputs from the above SIA and an ethnographic assessment. IFC should ensure the outcomes of this process are reflected in the project SEP and GM.	Based on the results of the SIA under recommendation 1a above, the client will expand the existing SEP to include any newly identified stakeholder groups.  A review of the GM will be conducted and recommendations made to make improvements to provide an effectively functioning GM. The client will include the improved GM as part of the updated SEP. The client will implement (retroactively) any needed additional grievance management / revised resolutions that are identified. IFC will review the updated GM and SEP as part of its regular Project supervision activities.	Client with IFC support	1. SEP, including any revisions to SEP and GM <u>six months after completing the SIA</u>  2. Audit Report of GM <u>six months after completing the SIA</u>

## SYSTEMIC-LEVEL RECOMMENDATIONS /ACTIONS

CAO Recommendation	Completed Action	Deliverable
<p><b>Recommendation 2:</b> In line with the findings of other recent CAO investigations, strengthen internal guidance and controls within IFC Management to ensure that, prior to Board approval, all significant potential and known environmental and social (E&amp;S) risks and impacts of an investment and their proposed mitigation measures are identified and fully analyzed by IFC to determine that the investment activities will meet relevant Performance Standards within a reasonable period of time. While the Sustainability Policy does not explicitly require IFC to review a complete and robust ESIA or other appropriate environmental and social analytical tools prior to Board approval, such a review is necessary for IFC to deliver on its obligations under the Sustainability Policy. ESIA's and other related analytical instruments were developed to make informed decision making. Their importance has long since been recognized as key to helping financial and other institutions ensure that the projects they support consider the environmental and social impacts and risks as early as possible, in order to effectively avoid, reduce, or compensate for those effects. IFC should include in its guidance to staff explicit expectations regarding the responsibility of project teams to review ESIA's and other related instruments to ensure that they are fit for purpose and effectively inform IFC's due diligence, monitoring, and supervision. Having such internal guidance and controls in place will also strengthen IFC's leverage to ensure client conformance with relevant Performance Standards through loan covenants, the project ESAP, and other relevant means.</p>	<p>According to IFC's Environmental and Social Sustainability Policy, IFC integrates ESDD into its overall investment review process and presents it to the Board of Directors when the investment activity is presented for approval (paragraph 21 of the Sustainability Policy). IFC will only finance investment activities that are expected to meet the requirements of the PSs within a reasonable period of time (paragraph 22). The section on ESDD (paragraphs 20 – 25) provides a clear description of the process, which includes a thorough assessment of the E&amp;S risks and impacts of the proposed investment before it is presented to the Board.</p> <p>In relation to the Company's E&amp;S assessments, IFC PS1 (2012) defines client requirements to establish and maintain a process for identifying the E&amp;S risks and impacts of the project (paragraphs 7-12 of PS1). Relevant project-related documents and information (or "analytical instruments") available at the time of the ESDD are reviewed. However, it is important to note that not all projects include stand-alone ESIA's. IFC reviews a range of E&amp;S-related information to identify the E&amp;S risks and impacts associated with the project prior to Board approval.</p> <p>The Environmental and Social Review Procedure (ESRP) outlines the E&amp;S requirements and processes for Board approval. It provides clear guidance to E&amp;S specialists on the project information that must be reviewed prior to Board approval. This includes explicit expectations and responsibilities for reviewing ESIA's and other related E&amp;S assessment documents to ensure they are fit for purpose and effectively inform IFC's appraisal process.</p> <p>In addition, the Access to Information Policy requires IFC to disclose E&amp;S information including any relevant E&amp;S assessments once IFC is assured that the client is expected to undertake the project in a manner consistent with the PSs.</p> <p>IFC's current policies and procedures address the legacy issues identified by the CAO in the context of its investigation. On the basis of this and similar recommendations that CAO has made in recent CAO cases, IFC has consulted the CAO on the ESRP update since July 2024. As a result of these consultations, a new paragraph was included in the most recent ESRP update of January 2025, which clearly identifies responsibilities and internal controls to timely identify and review relevant information and inform the Board accordingly. In addition, language was included in the ESRP regarding structuring of the eSAP and E&amp;S conditions in the legal agreement. IFC understands that these changes reflect improvements to the satisfaction of the CAO. Therefore, no further actions are proposed in response to CAO's systemic-level recommendations.</p>	<p>COMPLETED</p> <p>2012 <a href="#">Sustainability Policy</a></p> <p>2012 <a href="#">Performance Standard 1</a></p> <p>2012 <a href="#">Access to Information Policy</a></p> <p>2024 ESRP</p>

## **Disclaimer**

The IFC Management Response is provided in response to the Investigation Report of the Office of the Compliance Advisor Ombudsman (CAO) relating to complaints of alleged non-compliance by IFC with its Performance Standards on Environmental and Social Sustainability in a project supported by IFC finance or investment.

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