



The Independent Accountability Mechanism for IFC & MIGA

CAO ASSESSMENT REPORT

**Regarding Concerns in Relation to Bridge International Academies in Kenya
Through IFC's Investment in Learn Capital Venture Partners III LP
(IFC Project # 32429)**

May 2024

Office of the Compliance Advisor Ombudsman
for
the International Finance Corporation and the
Multilateral Investment Guarantee Agency
www.cao-ombudsman.org

About CAO

The Office of the Compliance Advisor Ombudsman (CAO) is the independent accountability mechanism of the International Finance Corporation (IFC) and Multilateral Investment Guarantee Agency (MIGA), members of the World Bank Group. We work to facilitate the resolution of complaints from people affected by IFC and MIGA projects in a fair, objective, and constructive manner, enhance environmental and social project outcomes, and foster public accountability and learning at IFC and MIGA.

CAO reports directly to the IFC and MIGA Boards of Executive Directors. For more information, see www.cao-ombudsman.org

About CAO Assessments

Any person who believes they may be harmed by an IFC or MIGA project can lodge a complaint to CAO. We apply three simple eligibility criteria to accept a complaint. For eligible complaints, we assess the concerns with the complainant(s), project sponsor, and other relevant stakeholders.

Once a complaint is determined to be eligible, we review the concerns raised in it. This assessment is conducted in consultation with the complainant, IFC and MIGA client and project teams, and other relevant stakeholders.

Purpose

The objective of the CAO assessment process is to develop a thorough understanding of the issues the complaint raises, work to understand all perspectives, engage with all key stakeholders to the complaint, consult with them to determine the process they choose to address the complaint, and consider the status of other grievance resolution efforts made to resolve the issues raised.

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1. OVERVIEW

Between June and August 2023, CAO received four individual complaints raising concerns related to child sexual abuse and harassment of four former students at a Bridge International Academies school in Kenya¹. The complainants were not represented by any individuals or civil society organizations.

In October 2023, CAO determined that the complaints were eligible and began an assessment. The eligibility decision was based on an active IFC exposure to Bridge International Academies through an equity investment in the financial intermediary Learn Capital Venture Partners III LP (the “IFC Client” or “Learn Capital III”). At the time CAO found the complaints eligible, Learn Capital III held equity in NewGlobe Schools, which was the parent company of Bridge International Academies (the “Sub-client or “Bridge”). During the assessment process, CAO was informed by Bridge that, as of February 2024, it no longer had any equity ownership by NewGlobe Schools. This was confirmed by Learn Capital III during a call with CAO on February 23, 2024.

The issues raised in the complaints are of the same nature as those examined in CAO’s Bridge International Academies-04 compliance investigation². The investigation was initiated by CAO in 2020 in response to allegations of child sexual abuse at Bridge schools in Kenya. CAO completed the investigation in October 2023 and IFC’s Management Action Plan (MAP) in response to the investigation was published on March 14, 2024, following approval by IFC’s Board of Executive Directors (the “Board”).

During CAO’s assessment, the complainants, Learn Capital III, and Bridge International Academies were not able to mutually agree to a CAO-facilitated dispute resolution process. Thus, in accordance with CAO’s Policy,³ the complaints will be transferred to CAO’s Compliance function.

While the complaints were registered by CAO separately, as “*Kenya: Learn Capital-01/02/03/04*”, CAO conducted a joint assessment of the four complaints, at the complainants’ request. This report provides an overview of the assessment process, including a description of the investment, the issues raised in the complaints, the assessment methodology, and next steps. Some information has been deliberately omitted from the report to prevent the identification of the complainants.

2. BACKGROUND

2.1 The Project

In 2013 and 2016, IFC invested a total of US\$13.5 million of equity in NewGlobe Schools, Inc., the parent company of Bridge International Academies, Africa’s largest chain of low-cost schools. According to IFC, at the time of its investment, Bridge operated 211 schools serving over 57,000 students in Kenya and aimed to provide quality education to children from families earning less than \$2 per person per day. The investment was intended to support an increase in the number of schools in Kenya and expansion to 3 new countries.

While IFC exited its investment in NewGlobe Schools in March 2022, IFC still had an indirect exposure to NewGlobe Schools through Learn Capital III at the time the complaints were filed in 2023. According to IFC, IFC has committed up to \$21.9 million to Learn Capital III. The purpose of IFC’s investment is to establish an Education Innovation Fund, a \$150 million

¹ CAO received the complaints on June 16, June 19, June 22, and August 4, 2023, respectively.

² More information about CAO’s Bridge International Academies-04 compliance investigation can be accessed at <https://www.cao-ombudsman.org/cases/kenya-bridge-international-academies-04kenya>

³ CAO Policy: <https://www.cao-ombudsman.org/sites/default/files/documents/CAO%20Policy/ifc-miga-independent-accountability-mechanism-cao-policy.pdf>

venture capital fund to invest in early to mid-stage innovative education companies that will expand access to, and quality of, education in emerging markets. The investment in Learn Capital III was classified as Category FI-2 (medium risk), according to IFC's Environmental and Social (E&S) review procedure.

At the time CAO found the complaints eligible, Learn Capital III held equity in NewGlobe Schools, the parent company of Bridge. IFC informed CAO that IFC had minimal indirect exposure to Bridge (IFC's indirect investment through the fund amounts to less than \$300,000). During the assessment process, CAO was informed by Bridge and Learn Capital III that Bridge had transitioned to be an independent foundation from NewGlobe Schools in February 2024, thereby terminating all financial engagements NewGlobe Schools had with Bridge.

2.2 The Complaint

On June 16, June 19, June 22, and August 4, 2023, CAO received complaints from four women who are former students of a Bridge International Academies school in Kenya. They explained to CAO that when they were still enrolled in the school, they were sexually abused and harassed by one of their teachers on the school premises. The complainants were all minors when the abuse occurred.

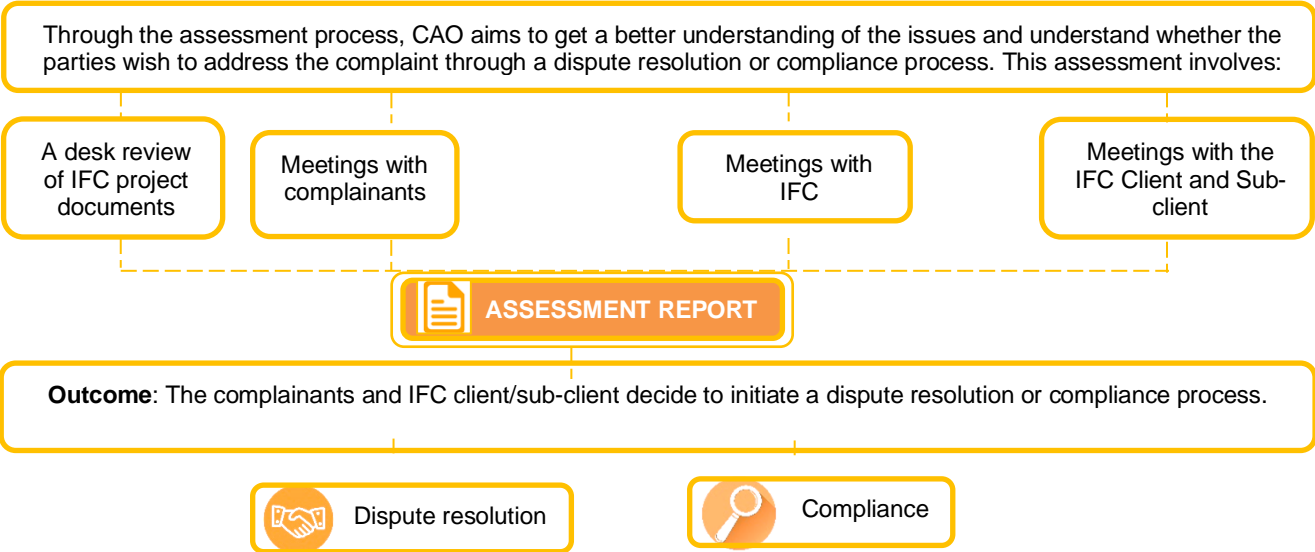
The issues raised in the complaints and during the assessment process are described in more detail below.

3. ASSESSMENT SUMMARY

3.1 Methodology

The CAO assessment process does not entail a judgment on the merits of a complaint; rather, it seeks to understand the situation and assist those involved to make informed decisions on how to address the issues raised. Figure 1 shows the approach and methodology applied during CAO's assessment process.

Figure 1. CAO Assessment Process



CAO's assessment team engaged with the complainants to better understand the concerns raised in the complaint. Subsequently, CAO engaged with IFC, Learn Capital III, and Bridge to share the complainants' perspective and solicit their perspectives on the issues raised in the complaints.

Due to the sensitive nature of the issues involved, CAO procured the services of two gender-based violence experts (GBV) based in the region to support CAO's engagement with the complainants throughout the assessment process. In addition, CAO offered to fund and facilitate access to psychological counselling for the complainants during the assessment process to minimize and mitigate any immediate risk of re-traumatization.

During the assessment, CAO became aware that the complainants were being advised by Accountability Counsel, Inclusive Development International, Oxfam, and Wangu Kanja Foundation, who have been conducting advocacy work in relation to Bridge and supporting the complainants to engage in the context of CAO's Bridge-04 case. With the complainants' consent, and to prevent process fatigue and mitigate the risk of re-traumatization, CAO synchronized the timing of its meetings with these NGOs.

CAO kept the complainants informed of the Bridge-04 compliance investigation without disclosing any documents which were not in the public domain at the time. Regarding the development of IFC's Management Action Plan (MAP) in response to the Bridge-04 compliance investigation, the complainants requested that CAO share a summary of their expectations as an input to that process. Accordingly, the CAO assessment team shared the complainants' input with the CAO compliance team, and these inputs were incorporated into CAO's comments to the Board on IFC's MAP in January 2024.

The issues raised in the complaints and during assessment by the complainants are described below, along with the views of Learn Capital III and Bridge.

3.2 Summary of Views

Complainants' perspective

The four complainants stated that they are survivors of child sexual abuse and harassment perpetrated by a teacher while they were students at a Bridge International Academies school in Kenya. The complainants informed CAO that they were between the ages of 10 and 15 years old when the incidents occurred. For all of them, the abuse was not a single isolated incident, but rather multiple incidents that occurred over an extended period of time while they were attending school. They informed CAO that the teacher who perpetrated the abuse and harassment was the same individual for all of them and that all the incidents took place on the school premises. The complainants also shared with CAO that there were other students at the school who suffered the same type of abuse.

The complainants shared that one of the survivors approached a different Bridge teacher in confidence to share information about the abuse and harassment incidents and ask for help. This teacher, in turn, called for a meeting between the school management and the survivors who had decided to come forward to report the abuse to the school. The parents of some of the survivors were also present at the meeting. According to the complainants, after that meeting, the survivors and their parents were taken to a police station to file a formal complaint and then to the hospital for a physical examination. The complainants shared that the police did not provide them with a formal record of the incidents being reported, nor have they ever received an update on how the police followed up on the report of child sexual abuse. The complainants also stated that the school took no further action to support them and that they never received psychological counselling.

The complainants shared that after they came forward, the teacher who had perpetrated the abuse absconded, and was never arrested. The teacher who uncovered the abuse and helped them bring the issue to light, was allegedly transferred to another school shortly after. They

expressed to CAO that for their remaining time at school, the teachers gossiped about them, treated them as “*bad girls*”, and humiliated and shamed them. They also expressed facing similar issues at home with their families and friends, and that, to this day, they had been struggling emotionally with what happened to them, and with others’ perception of them.

The complainants shared with CAO that they filed the complaint because they would like:

a) to receive psychological counselling to heal from the trauma they suffered. They wish for their families to also be offered psychotherapy services to help them deal with vicarious trauma and be better equipped to support their loved ones. The complainants shared that, when the harm occurred, their families did not have access to enough information and guidance that would have allowed them to deal with the trauma and to better support their children as survivors.

b) to receive financial support to pursue higher education studies. They informed CAO that due to the emotional and psychological impact of the abuse and harassment, they struggled academically, which hampered their ability to achieve their best potential as they did not manage to obtain scholarships to pursue higher education studies and get better jobs as adults.

c) for the perpetrator to be prosecuted and they would welcome financial assistance to engage in the appropriate legal actions against the perpetrator.

d) to receive compensation to remedy the emotional harm and the financial losses incurred by themselves and their families. They explained that following the abuse at school, their families went through a hard time supporting them as caregivers, including spending money and time away from work to look for the perpetrator in an effort to bring him to justice. Because the complainants at the time of the abuse, and presently, have not been in a position to economically contribute to their families’ income, they would like to be empowered to support family members financially. Such support may include, but is not limited to, helping an unemployed family member to jumpstart their business, pay for medical bills in case of illness, supporting younger siblings with schooling, and provide them with better housing.

The complainants informed CAO that while they may have been open to communicate with Bridge through CAO, they are not willing to meet with Bridge in person and for Bridge to know their names.⁴

IFC Client’s and Sub-client’s perspectives

During the assessment, CAO held conversations with Learn Capital III and Bridge to gather their perspectives on the complaints and inquire about their potential interest in engaging in a dispute resolution process facilitated by CAO.

Learn Capital III’s perspective.

Learn Capital III informed CAO that they believed Bridge would be best placed to engage directly in a dispute resolution process.

Learn Capital III stated that they take allegations of child sexual abuse seriously. They acknowledged a tragic incident of sexual exploitation in one of the Bridge schools perpetrated by a teacher in 2016. Learn Capital III stated that the incident was immediately reported to the police, the broader community was engaged, and the students were supported to access medical care and psychological counselling. Learn Capital III also stated that the students involved in the incident were supported to finish school and achieve strong marks in the national examinations, so as to continue their studies after graduation. Learn Capital III was

⁴ CAO dispute resolution processes can be designed to accommodate individual’s requests for confidentiality or anonymity, provided the parties to the dispute are in agreement to proceed on that basis.

not opposed, in principle, to dispute resolution. However, they were not open to engage in dialogue with an anonymous counterparty, as it would not have been possible to establish if the complainants had already received the services in connection with the aforementioned incident.

Learn Capital III also added that Bridge has provided a transformational education in a safe and nurturing environment to 1.2 million students in Kenya over the past 15 years and that the impact on learning at Bridge was shown by Nobel-laureate Professor Kremer to be amongst the largest observed in the international education literature. Learn Capital III also indicated that after the tragic incident in 2016, Kenya's leading safeguarding organization, Tunza Child Safeguarding, concluded that Bridge's comprehensive and holistic approach to safeguarding has significantly reduced safeguarding incidents compared to public schools and should be referenced as best practice. They believe such practices make Bridge one of the safest places for students to study in each community in Kenya and that Bridge graduates have gone on to attend leading secondary schools and universities in Kenya and around the world. Learn Capital III expressed that they would welcome the opportunity to work with the CAO and those in related advocacy work, so that the benchmarking work that Tunza Child Safeguarding conducted could be done on a recurring basis and published widely. While Bridge is now part of an independent non-profit, Learn Capital III is confident they will remain a market leader in childhood safeguarding in Kenya for years to come.

Bridge's perspective

Bridge stated that they take allegations of child sexual abuse seriously. They requested knowing the complainants' identities to confirm if they were Bridge former students or not. CAO informed Bridge that the complainants had requested confidentiality and they were not willing to disclose their identities nor engage in a face-to-face dispute resolution process with Bridge. However, Bridge communicated to CAO that without identification of the complainants, they would not be able to confirm if the complainants were Bridge students and whether they had been involved in any incidents while at school. Bridge informed CAO that it would be impossible for them to engage in any form of dispute resolution process with anonymous complainants.

Bridge further stated that, while there was a tragic incident of sexual exploitation in one of their schools perpetrated by a teacher in 2016, if the complainants were among the students impacted, those students had already received the services the complainants are stating should have been provided. Bridge stated that it ensured immediate police reporting and broad community engagement regarding the incident, supported access to medical care and psychological counselling, and supported students to finish school and achieve strong marks in the national examinations so as to enable them to continue their studies after graduation. Bridge further stated that the details of this tragic incident and Bridge's comprehensive response to it had been previously provided to CAO on May 31, 2023, during a separate CAO compliance process (Bridge-04 compliance investigation). Bridge added that IFC had reviewed its work in relation to child safeguarding and, in both June and September 2021, confirmed that Bridge was compliant with Performance Standard obligations related to GBV and sexual exploitation, abuse, and harassment.

4. ASSESSMENT CONCLUSION

During the assessment, the parties were not able to mutually agree to a dispute resolution process. In accordance with CAO's Policy,⁵ the complaints will be transferred to CAO's Compliance function for appraisal.

⁵ CAO Policy: <https://www.cao-ombudsman.org/sites/default/files/documents/CAO%20Policy/ifc-miga-independent-accountability-mechanism-cao-policy.pdf>

2. APPENDIX A. CAO COMPLAINT-HANDLING PROCESS

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

As per the IFC/MIGA Independent Accountability Mechanism (CAO) Policy,⁶ the following steps are typically followed in response to a complaint that is received:

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

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

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

Step 4: **Facilitating settlement:** If the parties choose to pursue a collaborative process, CAO's Dispute Resolution function is initiated. The dispute resolution process is typically based on or initiated by a Memorandum of Understanding and/or mutually agreed-upon ground rules between the parties. It may involve facilitation/mediation, joint fact finding, or other agreed resolution approaches leading to a settlement agreement or other mutually agreed and appropriate goals. The major objective of these types of problem-solving approaches will be to address the issues raised in the complaint, and any other significant issues relevant to the complaint that were identified during the assessment or the dispute resolution process, in a way that is acceptable to the parties affected.⁷

OR

Compliance Appraisal/Investigation: If the parties opt for an investigative process, the complaint is transferred to CAO's Compliance function. The complaint is also transferred to the Compliance function when a dispute resolution process results in partial or no agreement. At least one must provide explicit consent for the transfer, unless CAO is aware of concerns about threats and reprisals. CAO's Compliance function reviews IFC/MIGA's compliance with environmental and social policies, assesses related harm, and recommends remedial actions where appropriate

⁶ For more details on the role and work of CAO, please refer to the IFC/MIGA Independent Accountability Mechanism (CAO) Policy: <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/889191625065397617/ifc-miga-independent-accountability-mechanism-cao-policy>

⁷ Where stakeholders are unable to resolve the issues through a collaborative process within an agreed time frame, CAO Dispute Resolution will first seek to assist the stakeholders in breaking through impasse(s). If this is not possible, the Dispute Resolution team will inform the stakeholders, including IFC/MIGA staff, the President and Board of the World Bank Group, and the public, that CAO Dispute Resolution has concluded the dispute resolution process and transferred it to CAO Compliance for appraisal.

following a three-step process. First, a compliance appraisal determines whether further investigation is warranted. The appraisal can take up to 45 business days, with the possibility of extending by 20 business days in exceptional circumstances. Second, if an investigation is warranted, the appraisal is followed by an in-depth compliance investigation of IFC/MIGA's performance. An investigation report will be made public, along with IFC/MIGA's response and an action plan to remediate findings of noncompliance and related harm. Third, in cases where noncompliance and related harm are found, CAO will monitor the effective implementation of the action plan.

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

Step 6: **Conclusion/Case Closure**