

CAO ASSESSMENT REPORT

**Regarding the Third Complaint Received in relation to IFC's Investment in Lomé
Container Terminal SA (LCT) (IFC Project Number: 29197), in Togo**

June 2023

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 then conduct an assessment of 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(s), 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.

The CAO assessment process does not entail a judgment on the merits of the complaint; rather, it seeks to understand the facts and empower those involved to make informed decisions on how to address the issues raised.

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ACRONYMS

CAO	Office of the Compliance Advisor Ombudsman
E&S	Environmental and Social
IFC	International Finance Corporation
LCT	Lomé Container Terminal
BIC	Bank Information Center

OVERVIEW

On August 20, 2022, CAO received a complaint from a Togolese community-based nongovernmental organization called *Collectif des personnes victimes d'érosion côtière*,¹ filed on behalf of themselves as well as a group of riverine community members from six villages in the vicinities of the Lomé port, container terminal, and breakwater in Togo (“the complainants”). The complainants are supported by the Bank Information Center (BIC).

Lomé Container Terminal is a locally incorporated company that has been awarded a 35-year concession by the Government of Togo to develop, construct, and operate the container terminal within the port of Lomé (LCT, “IFC client” or “company”). LCT has been an IFC client since 2011.

The complaint raised concerns associated with the impact of coastal erosion allegedly caused by the construction and operation of the container terminal, the port, and the breakwater. The complainants’ concerns are related to (i) damage and loss of property, as well as displacement impacts, (ii) loss of livelihood and land, (iii) damage and loss of sacred sites, (iv) community division and safety concerns, and (v) overall frustration with the ongoing CAO process in the [Togo LCT 01 case](#).

CAO found the complaint eligible on December 20, 2022, and began the assessment of the complaint. During the assessment process, both parties expressed no interest in engaging in a CAO-facilitated dialogue process. Consequently, the case will proceed to a compliance appraisal² that will determine whether the complaint merits a compliance investigation or whether CAO can close the case.

BACKGROUND

2.1 The Project

According to IFC’s disclosure website, LCT is a locally incorporated company that was awarded a 35-year concession in December 2008 by the government of Togo, with an optional 10-year extension, to develop, construct, and operate a greenfield container terminal within the existing port of Lomé, which was built in the 1960s in Togo (“the project”).³ Construction works started in 2012 and the terminal has been operational since October 2014. LCT terminal is currently the largest operator within the Port of Lomé. It operates within the boundaries of the existing port, however, the project required dredging of the port’s access channel and the construction of a new breakwater extension to prevent the port access channel re-filling with sand.⁴ LCT is indirectly wholly owned by Global Terminal Limited (GTL). Terminal Investment Limited (TIL) is a co-sponsor of the project, along with GTL. GTL and TIL are sister companies and together hold the sixth-largest portfolio of container terminal assets in the world.

The project was estimated to cost €350 million, including terminal infrastructure, container handling equipment, IT systems, contingencies, working capital, interest during construction, start-up costs, etc. IFC provided a total of €92.5 million in loans to LCT (€82.5 million in 2011 and €10 million in 2015). IFC also mobilized approximately €142.5 million from other lenders.⁵ The other lenders involved in the project when the complaint was received are the African Development Bank (AfDB), the German Investment Corporation (Deutsche Investitions - und

¹ The members of the *Collectif des personnes victimes d'érosion côtière* are the chiefs and kings of the villages. The chiefs of the six villages involved in this case are all members of the *Collectif*.

² See para. 59 of the new [CAO Policy](#), which states that “If both Parties agree to undertake dispute resolution, CAO will facilitate this process. If there is no agreement, the complaint will proceed to CAO’s Compliance function.”

³ See IFC’s Disclosure website at <https://disclosures.ifc.org/project-detail/SPI/29197/togo-ict>

⁴ See CAO’s [Third Compliance Monitoring Report on Togo LCT01 complaint](#)

⁵ Ibid.

Entwicklungsgesellschaft - DEG), the Dutch Entrepreneurial Development Bank (FMO), the OPEC Fund for International Development (OFID), and Proparco (a subsidiary of Agence Française de Développement, AFD).

At the time of IFC's investment, IFC's estimation of the development impact of the project was that it would combine deep-water location advantages with state-of-the-art container handling equipment and world-class management knowhow, to create the first modern container transshipment hub in West and Central Africa (WCA) capable of handling larger container ships. According to IFC, that would allow shipping lines to deploy larger container vessels in WCA, allow the region to become more competitive, scale benefits enjoyed elsewhere in the world, and significantly lower transportation costs for the terminal's users.⁶

The Project was classified as Category A.

2.2 The Complaint

On August 20, 2022, CAO received a complaint from a Togolese community-based nongovernmental organization called *Collectif des personnes victimes d'érosion côtière*,⁷ filed on behalf of themselves as well as a group of riverine community members from six villages in the vicinities of the Lomé port, container terminal, and breakwater in Togo. These villages are Bobole Kope, Agbe Kope, Tango, Agbetiko, Adissem, and Gonou Kope. The complainants are supported by the Bank Information Center (BIC).

LCT is a locally incorporated company that has been awarded a 35-year concession by the government of Togo to develop, construct, and operate the container terminal within the port of Lomé. LCT has been an IFC client since 2011. The complaint raised concerns associated with the impact of coastal erosion allegedly caused by the construction and operation of the container terminal, the port, and the breakwater. (See Appendix A. LCT facilities) The complainants' concerns are related to (i) damage and loss of property, as well as displacement impacts, (ii) loss of livelihood and land, (iii) damage and loss of sacred sites, (iv) community division and safety concerns, and (v) overall frustration with the ongoing CAO process in the LCT01 case.⁸

On December 20, 2022, CAO found the complaint eligible for assessment. CAO has two other active cases related to the same project: one in dispute resolution ([Togo LCT 02](#)) and the other in compliance monitoring ([Togo LCT 01](#)). According to para. 42 (i) of CAO's Policy,⁹ CAO determined that this third case was eligible because, although it raised similar issues as Togo LCT 01, it was not the same in all material respects, due to a material change in circumstances concerning (i) the construction of the breakwater that allegedly exacerbated the impacts of coastal erosion on the east side of the port, (ii) the emergence of community division allegedly caused by some LCT stakeholder engagement activities, and (iii) new impacts of coastal erosion being raised.

The same *Collectif des personnes victimes d'érosion côtière* filed the Togo LCT 01 complaint on behalf of 13 different villages. A compliance investigation for the Togo LCT 01 complaint was completed in October 2016. CAO's compliance investigation found IFC to be non-compliant in relation to its due diligence and supervision of client's conformity with Performance Standards, particularly regarding: (a) the assessment of coastal erosion impacts related to the

⁶ See IFC's Disclosure website at <https://disclosures.ifc.org/project-detail/ESRS/29197/togo-lct>

⁷ The members of the *Collectif des personnes victimes d'érosion côtière* are the chiefs of the villages. The chiefs of the six villages involved in this complaint are all members of the *Collectif*.

⁸ Further details of these concerns are explained in the complainant's perspective section below.

⁹ See para. 42 (i) of the new [CAO Policy](#), which states that "CAO will deem the following complaints ineligible: (...) (i) Complaints that are the same in all material respects as a complaint that has previously been submitted to CAO, unless CAO determines there has been a material change in circumstances"

LCT project, and associated mitigation and remedial measures; and (b) stakeholder engagement and consultation with communities down-drift of LCT. Three monitoring reports were published between March 2018 and August 2021. While some progress has been made, CAO's compliance investigation and monitoring for Togo LCT 01 have noted significant remaining non-compliances and thus the case is open in monitoring. The fourth monitoring report will be published in calendar year 2023.¹⁰

The issues raised in the complaint and during assessment by the complainants and IFC's client are described in further detail below.

ASSESSMENT SUMMARY

3.1 Methodology

CAO's assessment aims to gain a better understanding of the issues and concerns raised in the complaint through discussion with the complainant(s), IFC client(s) and/or sub-client(s), and other relevant stakeholders. CAO explains the options available to the parties and helps them determine whether they wish to initiate a CAO-facilitated dispute resolution process or a compliance process to address the issues raised in the complaint.

CAO's assessment of the complaint included:

- a desk review of project documentation;
- virtual meetings with IFC's project team and with IFC's Stakeholders Grievance Redress (SGR) team;
- virtual and in-person meetings with representatives of IFC's client;
- virtual and in-person meetings with the complainants;
- virtual meetings with the BIC, advisor to the complainants;
- a meeting with the IFC senior country manager for Benin, Ghana, Liberia, Sierra Leone, and Togo;
- internal meetings with the CAO teams handling the LCT 01 and LCT 02 cases; and
- an assessment trip to Lomé, Togo.

Meetings with Togolese government officials, including the Minister of Environment and the Minister of Maritime Economy and Coastal Protection, were requested through the IFC country office in Lomé, Togo, but the officials were unavailable to meet during the assessment trip.

3.2 Summary of Views

This section summarizes the views expressed by the parties during the CAO assessment.

Complainants' perspective

The complaint raised concerns associated with the impact of coastal erosion allegedly caused by the construction and operation of the container terminal, the port, and the breakwater. The complainants' concerns are related to (i) damage and loss of property, as well as displacement impacts, (ii) loss of livelihood and land, (iii) damage and loss of sacred sites, (iv) community division and safety concerns, and (v) overall frustration with the ongoing CAO process in the LCT01 case.

¹⁰ See [Togo LCT 01 complaint](#) on CAO's website.

The members of the *Collectif des personnes victimes d'érosion côtière* shared with CAO that approximately 2,500 people were affected by coastal erosion in the six villages that are part of this complaint. During the assessment trip, CAO met with approximately 500 people (of whom 234, or 46.8%, were women) in the villages of Bobole Kope, Agbe Kope, Tango, Agbetiko, Adissem, and Gounou Kope, as well as with members of the *Collectif*. The chiefs of the six villages involved in this complaint are all members of the *Collectif*.

Damage and loss of property and displacement impacts

The complainants shared with CAO that since LCT built the third and last dock in the port of Lomé between 2012 and 2014, the coastal erosion problem has intensified, with increased impacts on the eastern part of the port of Lomé. The *Collectif* shared with CAO that community members are confused about the dock names and that “the third and last dock” refers to the LCT dock with its breakwater. While the complainants acknowledge that coastal erosion has been an issue in the area since the 1960s, the complainants believe that the intensity and pace at which the erosion has increased is strongly related to LCT’s operations. They also shared with CAO that, while some government officials and environmental experts have told them that climate change is a main cause for coastal erosion, they believe it is also largely caused by LCT’s construction and operation of the terminal, the third and last dock of the port, and the breakwater.

The complainants shared with CAO that the land and sea used to be at the same level, as it still is in the western part of the port of Lomé. However, the complainants said that, due to intensifying coastal erosion in the past few years, the sand from the eastern side of the port is being moved by the sea toward the western coast. They added that this movement created a steep cliff, causing the sea to be at a much lower level than the land along the coast and increasing resistance to waves, which created even more erosion along the eastern coast.

The complainants explained to CAO that one of the main impacts of coastal erosion for them has been the loss of and damage to their land and houses. According to the complainants, coastal erosion has resulted in the loss of 1.5-5 kilometers of beach inland (depending on the area) since 2012, when LCT started building its dock. The complainants added that coastal erosion used to happen at a much slower pace in the past, but that they are now losing approximately 12 meters of land every three months.

Most of the complainants’ houses are located by the sea, along the eastern coast of the port of Lomé. The complainants in the villages of Bobole Kope, Agbe Kope, Tango, Agbetiko, Adissem, and Gounou Kope expressed concern about their living environment and safety, stating that their houses and belongings have been “*swallowed by the sea.*”¹¹ The complainants shared with CAO that, while some houses have been completely lost under the sea, others have been badly damaged by coastal erosion. The complainants explained that some families choose not to sleep at home at night, preferring to sleep at church, out of fear of losing their lives due to coastal erosion. They further shared that some of their homes are on the edge of an elevated coastal bank and at risk of being destroyed at any time if the strength of the waves increases. The complainants additionally mentioned that some of their villages’ *kingdoms*¹² have been completely lost under the sea as a result of coastal erosion.

The complainants further explained to CAO that coastal erosion has forced many of them to move from their homes to other locations. Many of them claimed to have moved and resettled up to three times. They explained to CAO that they are concerned because they have been moving north to try to escape the impacts of coastal erosion, but that they are now unable to

¹¹ Description of coastal erosion impacts, according to the complainants.

¹² The term *kingdom* refers to the land, house, and other areas that belong to the village’s chief.

move any further due to a road that is located near their settlements in the north. They have also explained that these displacement impacts have hindered their children's education and disrupted their lives.

Loss of livelihood and land

The complainants claim that coastal erosion has severely affected their lands, beaches, and economic activities, causing a devastating impact on their livelihoods.

The complainants explained that fishing was and still is the main source of income for communities in the villages. Men go to sea for days to catch fish for the women to cook and sell in the market. The large fisher community expressed deep concern to CAO about their inability to easily access the sea for fishing and mooring their boats, as a result of the rock formations and hard sediments along the eroded coast that damage their boats and nets. According to some fishermen, their lack of access to the sea could be mitigated if they had motorboats and nets, or if the eastern coast was rehabilitated with sand and sea walls.

The complainants were also concerned about the loss of beaches along the eastern coast, which adversely impacted tourism and auxiliary market activities supported by the tourism industry. Other complainants shared that they used to mine sand from the coast and sell it in the market for construction purposes, but that they are now unable to continue this economic activity due to coastal erosion and the loss of the beaches.

Furthermore, the complainants said they have lost their fertile lands for farming and cultivation due to coastal erosion and that they have been forced to resettle in less productive or unproductive pieces of land. They shared with CAO that they used to grow vegetables, coconut trees, and other crops to sell in the market or consume themselves, but that they are now prevented from doing so because they no longer have land to live on and cultivate.

The complainants expressed that they struggle to find work as a result of coastal erosion, and that now some men go to the market to pick up any available work, and women mainly wash clothes to survive. The complainants stated that they are seriously concerned about their financial situation, their general livelihood, and the future of their children. They shared with CAO that many families have requested loans from commercial banks to be able to buy food, and that some other community members, mostly women, were forced to borrow money from a wealthy man in the area, which in their view could lead to future gender-based misconduct.

Damage and loss of sacred sites

The complainants further stated that coastal erosion has also caused them to lose sacred sites and cemeteries that are very valuable to them. They shared with CAO that they continue to lose their shrines, churches, and places of worship as coastal erosion worsens. The complainants also mentioned that their cemeteries were washed away by the sea in 2014, which in their view was a devastating loss for the communities. They said that four government officials came to the villages to provide financial support for the communities to collect the bodies buried in the cemetery and re-bury them in a single common grave. The government officials gave them 1.5 million CFA to dig the common grave and re-bury their dead.

Community division and safety concerns

Some complainants shared with CAO that they were concerned about some of LCT's stakeholder engagement activities, which they believe are causing community division. This issue was highlighted by some members of the *Collectif des personnes victimes d'érosion côtière*. Some village chiefs claimed that LCT tried to bribe two village chiefs in exchange for signing a community engagement Memorandum of Understanding, creating division in the

communities. They shared with CAO that, because of this incident, LCT staff members have been asked not to visit the villages, to avoid false impressions that they are attempting to bribe community members or the chiefs.

Some complainants further expressed safety concerns in relation to government officials. They explained that there is a government regulation that mandates the establishment of a 100-meter buffer zone between the seacoast and the start of the residential area. They claimed that, due to coastal erosion, the 100-meter buffer zone is being washed away by the sea, and the government is requiring the establishment of a new 100-meter buffer zone from the seacoast. This new buffer zone is affecting some complainants' lands and assets, causing tension between them and government officials, and has led to complainants' safety concerns in regard to their interactions with the government. The complainants believe this is an indirect impact of LCT's operations.

Overall frustration about delays in the CAO process

The complainants were dissatisfied with the lengthy process of their previous complaint (Togo LCT 01¹³), which they believe has contributed to the worsening of the situation while they wait for a tangible outcome. Members of the *Collectif* expressed their dissatisfaction with CAO's repeated process of assessing their complaints and explaining the same procedures, when they asked for a compliance investigation to hold LCT accountable for impacts it caused on these villages and remedial actions in accordance with IFC's Performance Standards. The complainants also told CAO that they are frustrated that no remedial actions have been put in place by the IFC client, even though, in their view, LCT's environmental and social impact assessment acknowledged erosion impacts associated with the project. They believe that an environmental study conducted in 2018 also acknowledged the impact of LCT on the lives of coastal communities.

LCT's perspective¹⁴

LCT first shared its disagreement with CAO's eligibility decision. LCT expressed that the complainants' allegations in relation to the impacts of the embankment and the emergence of community division and tension do not constitute a material change in circumstances under which this third complaint should have been found eligible.

In relation to the complainants' allegations, LCT stated that attributing the cause of the coastal erosion impact east of the port to the construction and operation of the LCT container terminal is unfounded. LCT shared with CAO that, according to technical studies, no causal link has been established between LCT's container terminal and the phenomenon of coastal erosion or the acceleration of erosion east of the port of Lomé. In addition, LCT stated that the embankment was built by the Government of Togo and not by LCT, and therefore there is no link between the embankment and the activities of the LCT terminal.

Regarding the substantive issues raised by the complainants, namely (i) damage and loss of property and displacement impacts, (ii) loss of livelihoods and land, and (iii) damage and loss of sacred sites, LCT indicated that these are the same issues that have already been raised in the LCT 01 complaint, which was filed with the CAO in 2015 by the same *Collectif* on behalf of thirteen (13) other communities and is currently under CAO's compliance monitoring. LCT considers that there has been no substantial progress in the LCT 01 case since June 2021

¹³ See [Togo LCT 01 complaint](#) on CAO's website.

¹⁴ See detailed perspectives shared by LCT from the Appendix C of this report.

and that as long as the LCT 01 case remains open, more complaints by members of the *Collectif* on behalf of other villages on the Togolese coast are likely to be filed at CAO.

LCT's view is that the 2016 CAO compliance investigation report concluded that the project was neither solely nor primarily responsible for coastal erosion in the area east of the port, and that the LCT container terminal has no connection to the embankment, as raised in the LCT 01 and LCT 03 complaints. LCT has informed CAO that it wishes to review the results of impact assessments on coastal erosion and the findings of the CAO compliance monitoring report on the LCT 01 complaint case before deciding how to proceed with this new complaint.

Additionally, LCT said that it is not the appropriate entity to propose sustainable and long-term solutions to the coastal erosion issue. LCT highlighted that, since the problem of coastal erosion is national and transboundary in scale, and its causes are complex and multifaceted (both natural and anthropogenic), it should be the competent Togolese authorities who deal with complaints related to coastal erosion and propose solutions.

On the issue of community division and social tensions, LCT said it is a subterfuge used to abuse the communities east of the port of Lomé and spread false allegations to defame and damage the reputation of LCT. LCT argued that the *Collectif* is using false allegations to misrepresent the issue of coastal erosion to the coastal communities and other stakeholders, such as saying that funds received from the World Bank Group to compensate victims of coastal erosion are instead being used by LCT to fund its own actions to support coastal communities. LCT also mentioned that, in a letter dated October 22, 2022, the *Collectif* informed LCT's partners about the alleged intimidation and pressure being exerted on certain traditional leaders to sign a Memorandum of Understanding between LCT and the coastal communities

LCT further stated that the accusation of attempting to bribe traditional chiefs resulted in the cancellation of one Memorandum of Understanding signed with the community of Nimagna. LCT also claimed that some of its employees are considered *persona non grata* in some villages and avoid interacting directly with community members, due to fear for their actions being misinterpreted as acts of threat, reprisal, or intimidation.

LCT argued that the division and tension within the communities are the result of the disagreement and disapproval of the majority of the traditional village chiefs, who do not share the accusations and concerns of the *Collectif* members against LCT. LCT added that the *Collectif* has freely expressed its views regarding the causes and consequences of coastal erosion on behalf of the coastal communities, and that LCT has never exercised, nor will it ever exercise, any retaliation or intimidation against them. LCT is, however, concerned that such allegations against the LCT team and management remained unanswered at the end of CAO's assessment process. LCT requested CAO to investigate these allegations as a prerequisite for further action on this case.

Finally, LCT indicated its willingness to support and assist the communities that wish to benefit from its CSR program initiatives through its community development and stakeholder engagement programs.

ASSESSMENT CONCLUSION AND NEXT STEPS

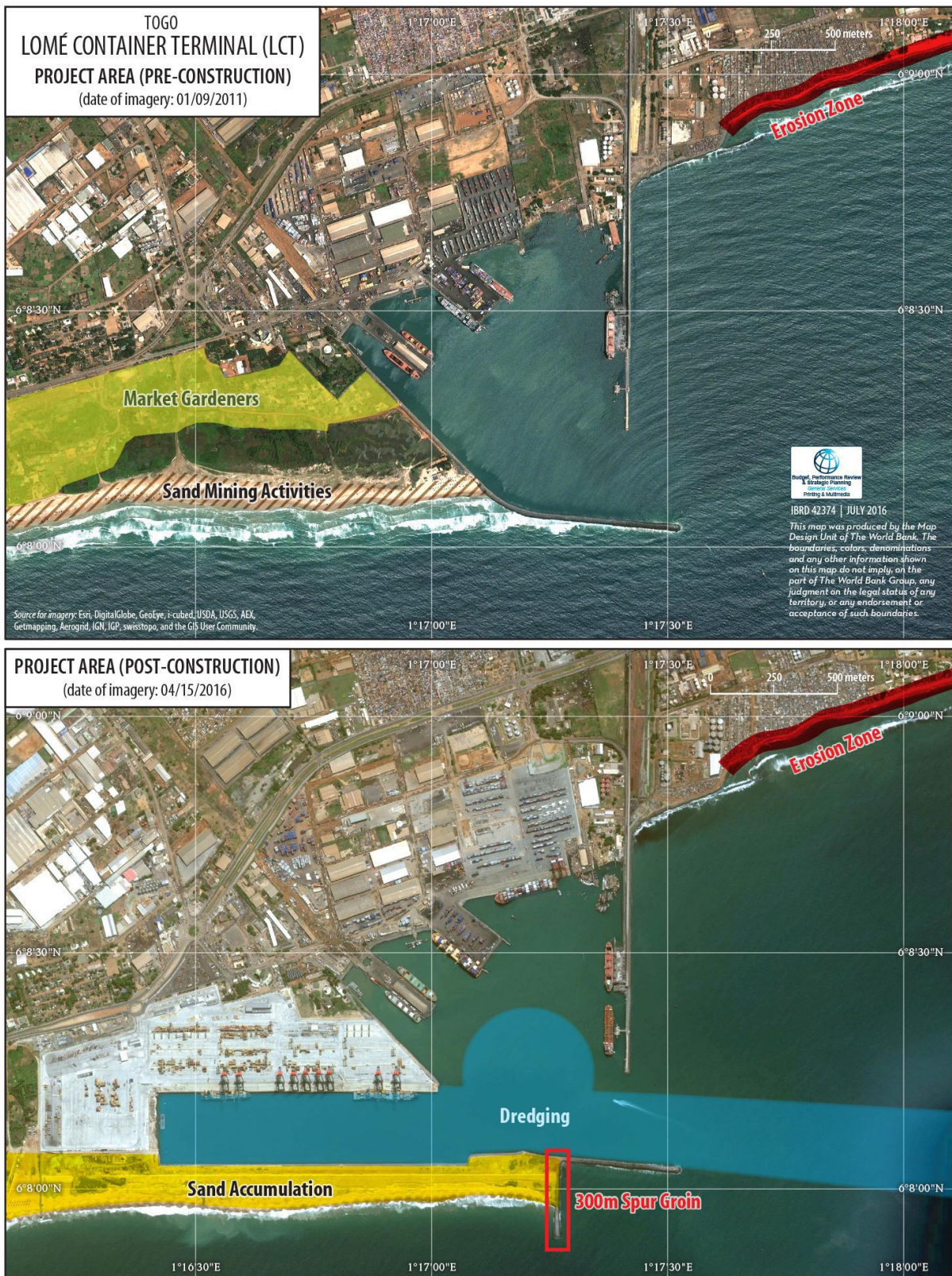
During the assessment process, both parties expressed no interest in engaging in a CAO-facilitated dialogue process. Consequently, the case will proceed to a compliance appraisal¹⁵

¹⁵ See para. 59 of the new [CAO Policy](#), which states that "If both Parties agree to undertake dispute resolution, CAO will facilitate this process. If there is no agreement, the complaint will proceed to CAO's Compliance function."

that will determine whether the complaint merits a compliance investigation or whether CAO can close the case.

Appendix B provides additional information on the steps of the compliance process.

APPENDIX A. LOMÉ CONTAINER TERMINAL (LCT) PROJECT AREA)



Source: CAO Compliance Investigation Report for LCT01 complaint, August, 2016

APPENDIX B. 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,¹⁶ 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.¹⁷

OR

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

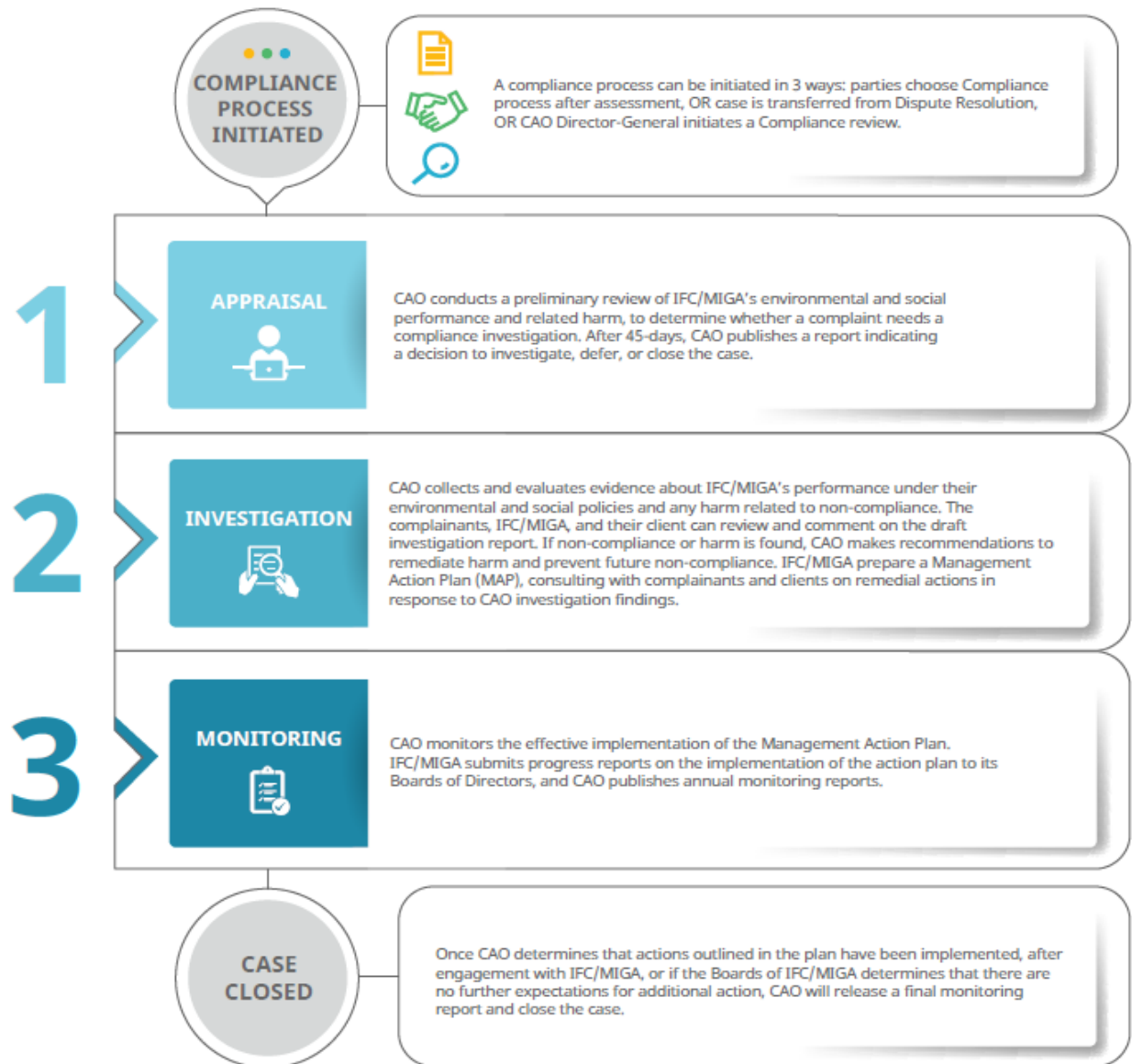
¹⁶ For more details on the role and work of CAO, please refer to the IFC/MIGA Independent Accountability Mechanism (CAO) Policy: <https://documents.worldbank.org/en/publication/documents-reports/documentdetail/889191625065397617/ifc-miga-independent-accountability-mechanism-cao-policy>

¹⁷ Where stakeholders are unable to resolve the issues through a collaborative process within an agreed time frame, CAO Dispute Resolution will first seek to assist the stakeholders in breaking through impasse(s). If this is not possible, the Dispute Resolution team will inform the stakeholders, including IFC/MIGA staff, the President and Board of the World Bank Group, and the public that CAO Dispute Resolution has concluded the dispute resolution process and transferred it to CAO Compliance for appraisal.

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

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

Step 6: **Conclusion/Case Closure**



APPENDIX C. DETAILED PERSPECTIVES PROVIDED BY LCT

LCT does not share CAO's view that the allegations against it for (i) constructing a embankment that caused and exacerbated coastal erosion impacts on the east side of the port, and (ii) creating community divisions by pressuring traditional village chiefs to sign LCT's community engagement memorandum of understanding, constitute grounds for the material change in circumstances under which this third complaint was found to be admissible.

Complainants' allegations attributing the cause of the coastal erosion impact east of the Port to the construction and operation of the container terminal are not supported in our view. No causal link has been established in the various studies conducted between the LCT container terminal and coastal erosion or the acceleration of erosion east of the Port of Lomé. Furthermore, the embankment is not built by LCT and there is no link between the embankment and the activities of the LCT terminal. Finally, the construction of the port of Lomé in the 1960s was a sovereign and informed decision by the Togolese authorities.

With respect to the issues raised in relation to (i) damage to and loss of property and involuntary resettlement, (ii) loss of livelihoods and land, and (iii) damage to and loss of sacred sites, LCT explained to the CAO that it believes these are issues raised in the Togo LCT 01 complaint filed by the collective with the CAO in 2015, also related to coastal erosion, on behalf of thirteen (13) communities located east of the Port of Lomé. The complaint LCT01 is currently being checked for compliance and the investigation is kept open by the CAO without follow-up since June 2021. At this rate, LCT believes that other complaints could be filed by members of the collective on behalf of other neighborhoods and villages in the Togolese coastal area.

In light of the above, LCT believes that the concerns raised by the complainants in this new case cannot be attributed to LCT because (i) the seawall is not built by LCT and has no connection with LCT's container terminal, and (ii) the concerns raised by the members of the six (06) additional neighborhoods and villages regarding coastal erosion are the same as those raised in LCT's complaint 01 under CAO's compliance monitoring.

Although CAO's experts acknowledge in the compliance investigation report (August 2016) that the project is neither solely nor primarily responsible for coastal erosion in the area east of the port, LCT believes that the container terminal has no connection to the seawall as raised in complaints LCT01 and LCT03. LCT has informed CAO that the results of the coastal erosion impact assessments need to be reviewed and would like to see the findings of CAO's compliance monitoring report on complaint LCT01 before deciding how to proceed with this new complaint.

As the problem of coastal erosion is national and transboundary in scope, and its causes are complex and multifactorial, both natural and anthropogenic, LCT believes that it is not its place to deal with complaints relating to the consequences of coastal erosion. Rather, they should be handled by the competent Togolese authorities in accordance with their powers and mandate. Therefore, LCT does not believe that it is the appropriate institution that can provide sustainable solutions to the erosion issue presented in the complaint.

With regard to the division and social tensions within the communities mentioned by the representatives of the collective, LCT expressed its concerns about subterfuge used to abuse the populations and communities east of the port of Lomé and false allegations propagated in the communities to defame and damage the reputation of LCT. The collective has propagated unfounded allegations that funds received from the World Bank to compensate victims of coastal erosion are being used by LCT for its actions to support coastal communities. In a letter dated October 22, 2022, the collective informed LCT's partners about intimidation and pressure from certain traditional leaders to sign memoranda of understanding between LCT and the

coastal communities. LCT believes that CAO should verify how these intimidations and pressures were exercised on certain traditional leaders and why not on all traditional leaders.

LCT believes that the allegations of division and tension within the communities are rather disagreements and disapproval of the majority of the traditional chiefs of the coast who do not share the accusations and concerns of the members of the collective attributing the consequences of the impacts of coastal erosion to LCT. Having failed to rally all coastal communities and traditional chiefs of the coast to its complaint against LCT, the collective is forced to use non-credible allegations to abuse the populations of the coastal zone. The members of the collective have declared the LCT team persona non grata and forbidden to enter certain localities. LCT acknowledges the collective's decision and will only intervene in communities that wish to benefit from its CSR program initiatives.

The unsubstantiated and slanderous allegations to discredit and damage the reputation of LCT are funds received from the World Bank for the compensation of people affected by coastal erosion and used by LCT for initiatives to support coastal communities, intimidation and pressure exerted by LCT for the signing of memoranda of understanding, attempts to bribe certain traditional chiefs, not to mention the episode of termination and cancellation of the memorandum of understanding of the community of NIMAGNA.

The collective has freely expressed, on behalf of the coastal communities, its opinion and concerns regarding the consequences and damage caused by the phenomenon of coastal erosion east of the port of Lomé. No action resembling retaliation and intimidation will be initiated by LCT. However, LCT does not intend to trivialize the non-credible allegations made by members of the collective against it and notes that its concerns to the CAO team have remained unanswered and unaddressed to date. LCT believes that CAO should investigate the serious allegations made by the Collective against the LCT team and management for appropriate clarification. This process of investigation to clarify the collective's non-credible allegations is a prerequisite for further action on this case.

LCT has made it clear to CAO that it sees no reason why it should not opt into CAO's dispute resolution process. Instead, LCT has indicated that it is willing to support and assist the people through its CDP/CSR program.