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27 January 2025

Problem Solving Monitoring Report on IRM Case C-0009-Egypt in relation to GCF Project FP039: GCF-EBRD Egypt Renewable Energy Financing Framework – Community-related matters

Summary

This report provides information to the Board on the implementation of the problem-solving agreement in the Independent Redress Mechanism (IRM)'s case C-0009-Egypt in relation to GCF Project FP039: GCF-EBRD Egypt Renewable Energy Financing Framework, as required by paragraph 76 of the Procedures and Guidelines of the IRM (Decision B.22/22). This report discusses processes and outcomes of the implementation of the problem-solving agreement signed by the parties in December 2023. The parties were provided with a draft report for comments, prior to its submission to the Board.

I. Introduction and Background

1. The Independent Redress Mechanism (IRM) is mandated in paragraph 69 of the Governing Instrument for the GCF. This paragraph states that “(t)he Board will establish an independent redress mechanism that will report to the Board. The mechanism will receive complaints related to the operation of the Fund and will evaluate and make recommendations.” The IRM performs a key function within the GCF’s accountability mechanisms. The Independent Redress Mechanism reports directly to the Board and is subject to the decisions of the Board. It is independent of the Secretariat of the GCF.

2. The Updated Terms of Reference of the IRM were adopted in September 2017 by the Board. Section IV, paragraph 13 (f) of the Terms of Reference states that when considering a grievance or complaint, the IRM will “prepare and submit periodic monitoring reports to the Board, as and when required.” In line with such provision, the IRM is presenting this Problem Solving Monitoring Report on IRM Case C-0009-Egypt in relation to GCF Project FP039: *GCF-EBRD Egypt Renewable Energy Financing Framework – Community-related matters* to the Board. The Problem Solving Monitoring Report is attached below as annex I.



**Annex I: Problem Solving Monitoring Report on IRM Case C-0009-Egypt
in relation to GCF Project FP039: GCF-EBRD Egypt Renewable Energy
Financing Framework – Community-related matters**

*The Problem Solving Monitoring Report on IRM Case C-0009-Egypt in relation to GCF Project
FP039: GCF EBRD Egypt Renewable Energy Financing Framework – Community-related matters
is contained below.*



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I. Introduction

1. The Independent Redress Mechanism (IRM) is mandated to handle complaints received from a person or group of two or more persons or communities who have been or may be affected by adverse impacts of a project or programme, under paragraph 11 of its Updated Terms of Reference (Decision B.BM-2017/10). In handling the complaint, the IRM is required to offer problem-solving to the parties as a means of resolving a complaint under the Procedures and Guidelines (PGs) of the IRM (Decision B.22/22).¹ When problem-solving is agreed to by the parties and the parties resolve their dispute through an agreement or a series of agreements, the IRM initiates a monitoring process to oversee the implementation of the agreements. As set out in paragraph 76 of the IRM's PGs, this annual monitoring report summarises the implementation of the agreements² reached in December 2023 concerning the community-related issues of IRM Case C-0009-Egypt.

II. Background

2. On 28 September 2022, the IRM received and acknowledged a complaint submitted by an employee of a company hired to work on projects in the Benban Solar Park in Egypt.³ In addition to the complaint related to labour issues, which is currently being handled through compliance review, the complainant alleged that the community had yet to see any benefits stemming from the Benban Solar Park projects.

3. During the initial steps phase that followed eligibility determination, the parties⁴ agreed to attempt to resolve the matter through problem-solving, which commenced on 7 April 2023.⁵ At the beginning of the problem-solving process, the IRM dispute resolution team ("DR team") worked with the parties to identify their representation, provided capacity building and assisted them in agreeing on ground rules for a sustainable framework for the dialogue process. The DR team supported the parties in structuring the topics for conversation in four main areas: BSDA community consultation processes, livelihood community projects, education community projects and healthcare community projects. The DR team organised several online and in-person bilateral and joint meetings to build trust with the parties, discuss community needs and priorities, and explore options that would address the issues to all parties' satisfaction.

4. A full and final problem-solving agreement was reached in a final joint meeting organised in Aswan on 14 and 15 December 2023 with the representatives of the parties. The agreement was drafted and signed by the parties' representatives on the second day of the joint meeting and included a two-year timeline for implementation (2024-2025) and a monitoring role for the IRM.

III. Implementation of Agreements

5. After the signing of the agreement in December 2023, the IRM has communicated with the parties according to the timeline outlined in the agreement. The IRM held several online

¹ Available at: <https://irm.greenclimate.fund/document/2019-procedures-and-guidelines-irm>

² The problem-solving agreement is available at: <https://irm.greenclimate.fund/sites/default/files/case/irm-c-0009-egypt-community-complaint-final-agreement-web.pdf>

³ The complaint is available at: <https://irm.greenclimate.fund/sites/default/files/case/complaint-text-c0009-redacted-egypt-redacted.pdf>

⁴ As per the problem solving agreement (Section A6), the parties are "[...] *the Benban Solar Developers Association ("BSDA"), as the general coordinator for various projects in the Benban Solar Park and one of the two complainants who submitted concerns to the IRM, joined by other community members from Benban Bahri community ("Community")*".

⁵ The initial steps report is available at: <https://irm.greenclimate.fund/sites/default/files/case/initial-steps-report-c-0009-egypt-final-web.pdf>



meetings with the parties, and the DR consultants travelled to Aswan in November and December 2024 to receive updates and feedback regarding the status of the implementation⁶ and to facilitate the process further. In December 2024, the parties agreed to convening a meeting of the Joint Monitoring Committee (JMC),⁷ where they sat together to discuss the status of the implementation. The current status of and the plans for implementation of the agreements are further elaborated below.

6. **Community consultation practices:** The final list of Community Advisory Participation (CAP) members is expected to be finalised in early 2025 based on a number of predetermined criteria. In accordance with the agreement, the maximum number of CAP members' terms was clearly communicated, and BSDA emphasised that CAP members should not be in a conflict of interest with the project.

7. **Livelihood programmes:** BSDA successfully provided various vocational trainings to 48 trainees on techniques relevant to plumbing, electricity, household appliances, carpentry, refrigeration and air conditioning. In addition, BSDA shared Benban craftspersons' contact information with the project developers, and their work is being advertised on BSDA's social media every week. In April 2024, BSDA started the Tatweer Project to support startup entrepreneurs, especially women, by planning and marketing their activities. This project is expected to continue for three years. Furthermore, BSDA endeavoured to find job opportunities for graduates from the energy school and will continue such efforts until the third quarter of 2025, acknowledging that BSDA does not have the responsibility for the outcome of such efforts. To help resolve transportation problems, BSDA has sent a letter to the governor to request approval, and they are in the process of signing the protocol with the bank and the governorate authority. One of the priority items the community members raised was for BSDA to allocate funds to subsidise the cost of minivans for the Benban youth. BSDA was able to reach an agreement with a bank that was willing to provide low-interest loans as part of a national initiative. BSDA is working with the Aswan governorate to obtain the approvals needed to get such minivans licensed by the relevant authorities. BSDA also committed to cleaning the leakage of groundwater and its contamination due to sewage water in the event of emergencies, while the government is in the process of establishing a suitable sewage system. Finally, BSDA is communicating with the Ministry of Agriculture and the Malaria Control Department to find ways to combat pests, especially by providing spraying vehicles. For some activities not approved by the government, the JMC members agreed that these activities could be replaced by another project, which shall be discussed further at the next JMC meeting.

8. **Education programmes:** BSDA, with guidance from the selection committee, provided scholarships to two students from Benban. For the 2025 scholarship, the selection criteria will be evaluated and reviewed by the CAP and a consultant before the scholarship recipients are announced. BSDA informed the IRM that a consultant is currently conducting a programme evaluation, including a review of the conditions of the scholarship. BSDA also provided a community climate change programme, hydroponic farming adaptation programme, literacy classes targeting young women, as well as English language courses and computer trainings. Additionally, BSDA communicated with the investors in the solar park on the possibility of donating used computers and other equipment to schools. Furthermore, BSDA contacted the governorate authority to help resolve the drainage problem at Benban Bahary daycare bathrooms. Later, BSDA was informed that the authorities resolved the matter, and BSDA's intervention was no longer needed. BSDA's ongoing activities include communicating with the Ministry of Education in Aswan to support four daycares, and as part of this effort, eight

⁶ As agreed by the parties, the IRM monitoring role was "[...] IRM will circle back to the Parties during the fourth quarter of 2024 to confirm the implementation of the livelihood/education/healthcare community projects"

⁷ The guidelines for the Joint Monitoring Committee are available at:

<https://irm.greenclimate.fund/sites/default/files/case/irm-guidelines-joint-monitoring-committee-c-0009-egypt.pdf>



interactive educational screens were provided to the daycares. They also provided a photocopy machine to the girls' secondary technical school and will provide it to three additional schools.

9. **Healthcare programmes:** BSDA contracted a company to maintain the kidney dialysis unit regularly. It also supported the local health services system by providing health caravans and conducting health awareness sessions. BSDA also confirmed that a waste-collection system has launched and has 3,250 subscribers. Furthermore, BSDA explained that a liquid waste evacuation vehicle had been provided to transport the liquid waste from the kidney dialysis unit. However, the community members did not consider this activity complete and decided to verify the conformity of the vehicle with the technical specifications required for transporting hazardous materials from the dialysis unit's tank. The JMC members agreed to revisit the implementation status for this activity in the following meeting in the first quarter of 2025. For other elements under this programme, the healthcare authority conveyed that the health insurance system will soon be initiated, and BSDA is awaiting further updates on this to be able to assess the exact needs in relation to the hospital renovation and provision of other health-related equipment.

IV. Observations from the IRM Dispute Resolution (DR) team

10. **Planning the joint monitoring of the mediation settlement agreement:** The parties worked collaboratively with the IRM DR team to develop guidelines for a Joint Monitoring Committee (JMC) and a monitoring plan for the problem-solving agreement. The JMC already convened in 2024 with two representatives from each party, and in 2025, there will be four quarterly meetings to exchange information and discuss the progress of the implementation of the mediation settlement agreement. With the IRM-supported efforts to facilitate a collaborative joint monitoring process, altogether, the parties have expressed hope regarding the outcomes and impact of the mediation process.

11. **Several agreements have already been implemented:** While the mediation settlement agreement has a two-year implementation timeline, several items have already been implemented in 2024. Moreover, there is a timeline for the implementation of all the remaining items, which will facilitate the monitoring efforts of the JMC in 2025.

12. **Information sharing is critical to building transparency and trust:** Although, in the first part of the year, BSDA was making efforts to plan and execute the implementation of the problem-solving agreement, the community members had limited opportunities to access such information. The online meetings convened by the IRM to facilitate access to information were necessary but not sufficient to establish the communication platform that would satisfy the most efficient exchange of information. Therefore, the two missions on the ground in Aswan achieved the goal of information sharing and created the basis for a productive joint monitoring process in 2025.

13. **The parties are working together and communicating directly:** At the end of the first year of monitoring, the parties have rebuilt trust, have opened up, and are willing to even engage directly with each other. The JMC members are in touch by email and phone and have created a group where they can exchange messages. As a result, immediately after the establishment of the JMC, the community members in the JMC were invited and participated in an activity where eight screens were donated by BSDA to four schools in Benben, in line with one of the commitments made in the problem-solving agreement.

14. **Although the mediation process ended, the IRM mediation support is still needed:** The involvement of the IRM DR team was significant in the second half of the first year of implementation, as per the monitoring role included in the agreement. As part of this IRM involvement, two missions were organised, and the parties consequently gained more clarity regarding the outputs and outcomes of the mediation process. The IRM DR team worked closely



with BSDA to develop a timeline for implementation in relation to each agreement, to structure the related evidence, and to facilitate the exchange of information in a way that is efficient and useful for all parties involved.

15. **The importance of a local mediator:** Having a local mediator in the IRM DR team facilitated not only the mediation process but also the monitoring stage. The parties appreciated the possibility of communicating in Arabic - their own language - with the DR team and receiving all documents translated. The mediator's local phone number also served as an important and accessible communication channel for the parties.

16. **Some priorities identified by community members have not yet been implemented:** The community members identified a number of priorities, like access to local transportation or employment, that have yet to be implemented to community members' satisfaction. Some of the reasons may refer to the role of other agencies that are needed to successfully implement such agreements. Also, there are different opinions among the parties with respect to the status of implementation for one or two agreements – whether they were implemented or not (e.g., employment). The IRM will work closely with the parties in the second year of implementation to address all challenges and facilitate the implementation of the mediation settlement agreement.

17. **Good practices for Egypt and the company-community mediation:** The parties appreciated the IRM support throughout the first year of the implementation of the problem-solving agreement and are optimistic that the process will be productive in the second year as well. The joint monitoring efforts have brought the parties together and represented not only a successful strategy for monitoring the problem-solving agreement implementation but also good practice for Egypt and the company-community mediation at the IRM and other Independent Accountability Mechanisms.

"It's the first time in my career to witness a joint monitoring committee after a settlement agreement, and truly, we have the opportunity to establish a precedent in Egypt and a great example in the company community mediation field."

Dr. Zeinab Hafez, Senior Social Expert, BSDA consultant and JMC member

V. Conclusion and Next Steps

18. The IRM completed its first year of monitoring the problem-solving agreement reached by BSDA and community members in December 2023. The IRM will continue monitoring the implementation of the remaining activities and supporting the parties in communicating with each other to collaboratively implement the activities in the agreement and foster a sustainable relationship that would enable them to jointly identify and resolve any other issues that may arise in the future.

19. The next meeting of the Joint Monitoring Committee (JMC) is scheduled to take place on 17 February 2025, and this meeting will be held on a quarterly basis, with meetings already scheduled for 19 May, 25 August and 24 November 2025. The IRM hopes that with a joint monitoring process, the parties will increase their capacity to work collaboratively in the coming months for a sustainable IRM exit later in 2025.



20. Finally, as this process is informing good international practices in company-community mediation, at the end of the monitoring stage of the problem-solving agreements, the IRM is optimistic about creating a public space for reflection and exchange of lessons learned.⁸

⁸ As per the Section I.20. "Lessons learned" of the problem solving agreement *"At the end of the monitoring stage of the problem-solving agreements, the Parties agree to organize and participate in a joint workshop where invitations will be sent to the IRM, the government, the international lenders and civil society to discuss the benefits of company-community mediation and showcase the IRM-facilitated dialogue process."*