



OFFICE OF THE COMPLIANCE ADVISOR OMBUDSMAN
FOR INTERNATIONAL FINANCE CORPORATION (IFC) AND MULTILATERAL INVESTMENT
GUARANTEE AGENCY (MIGA) MEMBERS OF THE WORLD BANK GROUP
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July 9, 2019

Ms. Sarah Singh
Communities Co-Director
Accountability Counsel
244 Kearny Street, 6th Floor
San Francisco, CA 94108

Sent via email: (sarah@accountabilitycounsel.org)

Re: CAO Eligibility Decision - Complaint regarding Kenya/Financial Intermediaries 01

Dear Ms. Singh:

The Office of the Compliance Advisor Ombudsman (CAO) has reviewed your complaint and determined that it does not meet all of CAO's three eligibility criteria, which are listed below:

CAO's three eligibility criteria are:

1. The complaint pertains to a project that IFC and/or MIGA is participating in, or is actively considering.
2. The issues raised in the complaint pertain to CAO's mandate to address environmental and social impacts of IFC/MIGA projects.
3. The complainant is, or may be, affected by the environmental and/or social impacts raised in the complaint.

CAO determined that your complaint met criteria 2 and 3, however, your complaint did not meet criteria 1.

For a financial intermediary (FI) complaint to be determined eligible in relation to criteria 1, (i) IFC must have an investment in the FI that would provide it exposure to the type of project of concern, and (ii) the FI must have a material exposure to the project of concern (in this case, Amu Power).

In relation to your complaint, CAO determined that:

- IFC has active general-purpose investments in Kenya Commercial Bank (KCB) and Co-Operative Bank of Kenya.

- IFC does not have an investment in FirstRand that provides IFC exposure to the Amu Power Plant because IFC's investment in FirstRand is ring fenced to small medium enterprises and affordable housing. IFC had exited its general-purpose investments as of the date of the complaint.
- CAO has not been able to confirm any active KCB or Co-Operative Bank of Kenya exposure to the Amu Power Plant. In making this determination, CAO has reviewed written representations from IFC's FI clients regarding the purpose of publicly reported loans to Centum subsidiaries and confirmation that the bid bond security is no longer active.
- The 28m KSh Co-Operative Bank of Kenya overdraft facility to Centum, the parent company of the Amu Power Plan, as reported in Centum's annual report, does not constitute a material exposure to the project for the purposes of CAO's eligibility criteria considering the instrument (overdraft facility) and the indirect nature of the exposure (through a parent company).

My staff are available to discuss this with you further if you have any questions.

If you believe we have reached this determination in error, you may resubmit your complaint with new information to support your request.

Sincerely,



Osvaldo L. Gratacós
Vice President
Compliance Advisor Ombudsman

CC:

[Redacted CC list]