

INDEPENDENT COMPLAINTS MECHANISM (ICM)

**Final Monitoring Report
for
Lomé Container Terminal**

2 March 2026

DEG and FMO Complaint 18-001

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Recipients:

LCT

Complainants (*Collective de Victimes d'Erosion Côtière*)

DEG

FMO

Abbreviations

2022 study	Independent revised Study on the Causes of Coastal Erosion along the Togolese Coast between 1955 and 2019 (completed in 2022)
AfDB	African Development Bank
ANGE	<i>Agence Nationale de gestion de l'Environnement</i>
CAO	Office of the Compliance Advisor Ombudsman (IAM of IFC/MIGA)
Collective	Collectif des personnes victimes d'érosion côtière
CSR	Corporate Social Responsibility
DEG	<i>Deutsche Investitions- und Entwicklungsgesellschaft</i>
FMO	Dutch Entrepreneurial Development Bank
ESIA	Environmental and Social Impact Assessment
E&S	Environmental and Social
IAM	Independent Accountability Mechanism
ICM	Independent Complaints Mechanism
IEP	Independent Expert Panel
IFC	International Finance Cooperation
IFI	International Finance Institution
LCT	Lomé Container Terminal
MAP	DEG and FMO Joint Management Action Plan to the ICM Compliance Review Report on Lomé Container Terminal, January 15, 2024
MMEFCP	Ministry of Maritime Economy, Fisheries and Coastal Protection of the Republic of Togo
OPEC Fund	OPEC Fund for International Development
PAL	Port Authority of Lomé
PROPARCO	<i>Société de Promotion et de Participation pour la Coopération Economique</i>
PS1	IFC Environmental and Social Performance Standard 1
TA	Technical Assistance
WACA	West Africa Coastal Areas Management Program

Contents

Abbreviations	1
Executive Summary.....	3
1. Introduction	5
2. Background	6
2.1. About the Project	6
2.2. The Complaint	6
2.3. The CAO Complaint	6
2.4. The ICM Compliance Review Report.....	7
2.5. The DEG and FMO Management Action Plan	9
2.6. The ICM First Monitoring Report	9
3. Progress made with addressing Non-Compliance Findings	12
3.1. Coastal Erosion Impacts	12
3.2. Disclosure and Consultation.....	13
3.3. Project supervision in complaint cases.....	14
ANNEX 1 Complaint letter	17
ANNEX 2: Summary of ICM non-compliance findings and related harm, ICM recommendations, and DEG and FMO MAP commitments to address the findings.....	21
ANNEX 3: Annex 1 of the DEG and FMO Joint Management Action Plan to the ICM Compliance Review Report on Lome Container Terminal SA.....	24

Executive Summary

This is the Final Monitoring Report of complaint 18-001 related to the Lomé Container Terminal project in Togo. The Report monitors non-compliance findings of the Compliance Review Report issued by the Independent Complaints Mechanism (“ICM”) on 31 August 2022 as per paragraph 3.2.22 of the ICM Policy.

The financed project is located within the Port of Lomé. It is owned and operated by Lomé Container Terminal SA (“LCT” or “Client”) and operates under a concession agreement with the Government of Togo which was awarded to develop, construct and operate a greenfield transshipment container terminal. The container terminal became operational in 2014.

The International Finance Corporation (“IFC”) was the sole arranger of a EUR 225 million secured loan for LCT which was funded by the IFC, the Dutch Entrepreneurial Development Bank (“FMO”), the Deutsche Investitions- und Entwicklungsgesellschaft (“DEG”), the Société de Promotion et de Participation pour la Coopération Économique (“Proparco”), the African Development Bank (“AfDB”) and the OPEC Fund for Development (“OPEC Fund”). FMO and DEG each participated with a EUR 25 million loan. In 2015, FMO provided an additional EUR 10 million as part of an additional EUR 30 million debt package. LCT fully repaid the loans in 2023, thus ending the financial relationship with DEG and FMO.

The Complaints Offices of DEG and FMO received a complaint on 28 August 2018 (see Annex 1 for the full complaint letter). The complainants are the civil society organisation called *Collectif des personnes victimes d'érosion côtière* (“Collective” or “Complainants”). The Collective represents members of communities who live east of the Port of Lomé. The Complainants allege that the project contributed to the acceleration of coastal erosion, which in turn caused loss of land and farms, coconut plantations, religious sites, local infrastructure and places for tourism activities, destruction of houses as well as difficulties with fishing activities.

The 2022 ICM Compliance Review Report found persistent non-compliances.¹ It found that no remedial measures have been designed to address the impact on coastal erosion, which is attributable to the LCT project, and recommended that DEG and FMO should work with LCT, the port and relevant Togolese authorities to help design and implement measures which would reduce coastal erosion impacts caused by the Port on the east of the port. According to the coastal erosion study that was completed in 2022 to complement the original Environmental and Social Impact Assessment (“ESIA”)², a limited amount of the total coastal erosion could be attributed to the LCT project.³

¹ ICM, LCT Compliance Review Report, 31 August 2022, available at: [English LCT Compliance Review report August 31, 2022.pdf](#)

² Lomé Container Terminal, ESIA, September 29, 2010, available at: <https://disclosures.ifc.org/project/detail/ESRS/29197/togo-lct>.

³ The ICM considers the study as the final response to the non-compliance findings in the 2016 CAO Investigation Report. FMO’s Environmental & Social (E&S) specialists expressed disagreements with the interpretation of the findings of the study.

To bring the disclosure and consultation process in compliance with IFC Performance Standard 1 (“PS 1”), the ICM recommended that a non-technical summary of the coastal erosion study should be disclosed and consulted with affected people, including the Complainants. In addition, the ICM found that DEG and FMO should have pursued more independent supervision of the project once the CAO Compliance Investigation Report found non-compliances attributable to IFC in its report issued in August 2016.

In response to the 2022 ICM Compliance Review Report, DEG and FMO Management Board issued a Management Action Plan (“MAP”) on 19 January 2024. In the ICM Compliance Review Report, the Independent Expert Panel (“IEP”) indicated that a MAP should lay out detailed time-bound measures which would address non-compliances and related harm. The IEP appreciates the joint effort of DEG and FMO to produce a MAP. The IEP follows the ICM Policy when executing its monitoring mandate, which reads that: “[i]n cases where material non-compliances are identified, the ICM will monitor the situation until actions by DEG [and FMO] assure the ICM that DEG [and FMO are] addressing the non-compliances”.

This Monitoring Report, which covers the period of August 2024 through August 2025, is the second and final Monitoring Report. The Report is based on meetings of the IEP with representatives of the Collective as well as meetings with representatives of FMO and DEG. As FMO has a lead role in managing this case, interactions took place mainly with FMO staff. The IEP further reviewed relevant implementation progress documents provided by DEG and FMO including the Progress Report for the period August 2024 - July 2025, FMO’s updated internal guidelines for the Issue Management Process and documents related to the support provided to LCT concerning community engagement and CSR activities for community development.

This Monitoring Report assesses progress made by DEG and FMO regarding the implementation of ICM recommendations taking into account the MAP. It covers progress made regarding actions taken to address non-compliance findings and it does not repeat general information provided in the First Monitoring Report of 20 March 2025.⁴

In the First Monitoring Report, the IEP concluded that the project remains in non-compliance status as (i) no adequate measures have been designed and implemented to remedy the impacts of coastal erosion in the area east of the port, mainly concentrated in the areas 1-11 km east of the port, and (ii) no disclosure and consultation has taken place for the 2022 coastal erosion study. The IEP found that measures to address these non-compliances are required.

In this final Monitoring Report, the IEP concludes to close the case as limited progress has been made with the implementation of ICM recommendations outlined in the 2022 ICM Compliance Review Report. No further monitoring will be undertaken. Material non-compliances have not been sufficiently addressed and there is no reasonable expectation of further progress as DEG and FMO have exited the project. Moreover, LCT has shown limited interest to further engage with DEG and FMO in resolving the non-compliances.

⁴ ICM, First Monitoring Report for Lome Container Terminal, 20 March 2025, available at: [Complaints disclosure - FMO](#).

1. Introduction

This is the Final Monitoring Report of complaint 18-001 related to the Lomé Container Terminal project in Togo. This Report monitors non-compliance findings of the Compliance Review Report issued by the Independent Complaints Mechanism (“ICM”) on 31 August 2022 as per paragraph 3.2.22 of the ICM policy: “[i]n cases where material non-compliances are identified, the ICM will monitor the situation until actions by DEG [and FMO] assure the ICM that DEG [and FMO are] addressing the material non-compliances.”

This Report, covering the period of August 2024 through August 2025, is based on meetings of the IEP with representatives of the *Collectif des personnes victimes d'érosion côtière* (“Collective” or “Complainants”) as well as meetings with representatives of FMO and DEG. As FMO has a lead role in managing this investment, interactions took place mainly with FMO staff. The IEP further reviewed relevant implementation progress documents provided by DEG and FMO, including the Progress Report for the period August 2024 - July 2025, FMO’s updated internal guidelines for the Issue Management Process and documents related to the support provided to LCT concerning community engagement and CSR activities for community development.

This Report assesses progress made by DEG and FMO regarding actions taken to address non-compliance findings taking into account the joint Management Action Plan (“MAP”). The Report will not repeat general information provided in the first Monitoring report.⁵

Section 2 of the Report provides a short background to the case including a project overview, information about the complaint, relevant CAO Reports, ICM Reports and the DEG and FMO joint Management Action Plan. Section 3 covers progress made regarding the non-compliance findings related to coastal erosion impacts (ICM recommendations 1, 2, and 4), related to disclosure and consultation (ICM recommendation 3) and regarding project supervision in complaint cases.

Annex 1 contains the complaint letter. Annex 2 provides an overview of the ICM’s non-compliance findings and related harms, the ICM recommendations, and DEG and FMO MAP commitments to address these recommendations. The DEG and FMO joint Management Action Plan to the ICM Compliance Review Report can be found in Annex 3.

During the monitoring period, the ICM was notified of indications of possible intimidation and reprisals taken against complainants through the Collective and communities who expressed dissent against the LCT project. Retaliation in any form, whether direct or indirect, undermines the principles of transparency, accountability, and respect for human rights that are essential for the effectiveness and credibility of the ICM.⁶ As per the zero-tolerance principle of DEG and FMO, DEG and FMO do not tolerate any activity by its clients that amount to the oppression of, violence toward, or any other violations of the human

⁵ ICM, First Monitoring Report for Lomé Container Terminal, 20 March 2025, available at: [Complaints disclosure - FMO](#).

⁶ See the ICM Non-retaliation statement on Addressing Risk of Reprisals related to ICM Operations, February 2021, available at: <https://www.deginvest.de/DEG-Documents-in-English/About-us/Responsibility/ICM-Non-Retaliation-Statement.pdf>.

rights of those who voice their opinion in relation to DEG or FMO's activities and the activities of their clients.

2. Background

2.1. About the Project

The project is located within the Port of Lomé. It is owned and operated by Lomé Container Terminal SA ("LCT" or "Client") and operates under a concession agreement with the Government of Togo which was awarded to develop, construct and operate a greenfield transshipment container terminal. The container terminal became operational in 2014.

The International Finance Corporation ("IFC") was the sole arranger of a EUR 225 million secured loan for LCT which was funded by the IFC, the Dutch Entrepreneurial Development Bank ("FMO"), the Deutsche Investitions- und Entwicklungsgesellschaft ("DEG"), the Société de Promotion et de Participation pour la Coopération Économique ("Proparco"), the African Development Bank ("AfDB") and the OPEC Fund for Development ("OPEC Fund"). FMO and DEG each participated with a EUR 25 million loan. In 2015, FMO provided an additional EUR 10 million as part of an additional EUR 30 million debt package. LCT fully repaid the loans in December 2023, thus ending the financial relationship with DEG and FMO.

2.2. The Complaint

The Complaints Offices of DEG and FMO received a complaint on 28 August 2018 (see Annex 1 for the full complaint letter). The Complainants are communities located east of the port and are represented by the civil society organisation Collectif des personnes victimes d'érosion côtière. The Complainants allege adverse impacts due to coastal erosion, which they believe was accelerated by the project, specifically:

- Loss of land and destruction of houses;
- Loss of farms, coconut plantations, and places for tourism activities;
- Difficulties with fishing activities;
- Loss of religious sites like divinity houses or other places of cultural importance to the communities;
- Loss of local infrastructure, including royal palaces, community halls, marketplaces, schools, wells, and roads.

2.3. The CAO Complaint

The same complaint was filed with the Compliance Advisor Ombudsman ("CAO"), the Independent Accountability Mechanism ("IAM") of the IFC, in March 2015. The CAO issued a Compliance Investigation Report in response to this complaint in August 2016 and has since issued four Monitoring Reports to monitor the status of its non-compliance findings. In March 2025, the CAO published an Omnibus Monitoring Report, which included an

update for the LCT case. The CAO Compliance Investigation Report made the following non-compliance findings:⁷

- IFC’s pre-investment review did not consider significant historical erosion-related impacts associated with the project and IFC did not work with the client to determine possible remediation measures;
- IFC did not assure itself that the ESIA” in relation to coastal erosion issues met Performance Standard 1 and did not recognize that additional assessments of the erosion risks posed by the project were required;
- IFC did not ensure that the ESIA considered potential cumulative impacts of the project;
- IFC did not adequately disclose the ESIA and consult with project-affected people.

The fourth CAO Monitoring Report noted that progress to address non-compliance findings for the LCT project has been slow and adverse impacts of coastal erosion remain unassessed and unaddressed. It stated that IFC must work with LCT, the other lenders, and other stakeholders to ensure (a) disclosure of the 2022 coastal erosion study and related stakeholder engagement with project-affected communities, and (b) completion of an assessment of project-related erosion impacts, on the basis of which mitigation and remedial measures could be determined.⁸

In the CAO Omnibus Report, IFC reported that it has continued to engage with LCT regarding the study’s publication but noted that it does not propose to undertake any further formal commitments in regard to CAO’s investigation report findings. Hence, the CAO decided to close the case in March 2025 as there is no reasonable expectation of further action by IFC to address the non-compliance findings from nine years ago.⁹

2.4. The ICM Compliance Review Report

In accordance with paragraph 3.1.7 of the ICM Policy, the ICM should assess on a case-by-case basis the handling of identical complaints that were filed with other IAMs and aim to avoid duplication of work. On this basis, the ICM decided to take the findings of the CAO Investigation Report as its departure point. The ICM focused on the supervision action and progress made by DEG and FMO towards implementation of remedial actions to address the non-compliance findings laid out in the CAO Investigation Report. The ICM investigation thus focused on assessing whether measures taken by DEG and FMO since 2016 brought the project into compliance with DEG and FMO’s Environmental and Social Safeguards policies which were applicable to the project.

⁷ See CAO, Compliance Investigation Report, IFC Investment in Lomé Container Terminal, Togo, 8 August 2016, available at: https://www.cao-ombudsman.org/sites/default/files/downloads/CAO_Compliance_InvestigationReport_Togo_LCT-01_08082016.pdf.

⁸ CAO, Fourth Compliance Monitoring Report of IFC’s Response to: CAO Investigation of IFC Investments in Togo LCT, 2 April 2024, available at: https://www.cao-ombudsman.org/sites/default/files/downloads/CAO_4th_Compliance_Monitoring%20Report_LCT01-Togo-noEN.pdf, page 23-24.

⁹ CAO, Compliance Monitoring: Omnibus Case Report: Q3, FY2025, March 2025, page 22-23, available at: [CAO-Omnibus-Report-April-2025-ENG_4.pdf](https://www.cao-ombudsman.org/sites/default/files/downloads/CAO-Omnibus-Report-April-2025-ENG_4.pdf).

The 2022 ICM Compliance Review Report found persistent non-compliances. It found that no remedial measures have been designed to address the impact on coastal erosion, which is attributable to the LCT project, and recommended that FMO and DEG should work with LCT, the port and relevant Togolese authorities to help design and implement measures which would reduce coastal erosion impacts caused by the Port on the east of the port. According to the coastal erosion study that was completed in 2022 to complement the original ESIA, a limited amount of the total coastal erosion could be attributed to the LCT project.¹⁰ To bring the disclosure and consultation process in compliance with IFC Performance Standard 1, the ICM recommended that a non-technical summary of the coastal erosion study should be disclosed and consulted with affected people, including the complainants. In addition, the ICM found that DEG and FMO should have pursued more independent supervision of the project once the CAO Compliance Investigation Report found non-compliances attributable to IFC in its report issued in August 2016.

The ICM Compliance Review Report issued the following recommendations to address the stated non-compliances regarding the project:

- (i) DEG and FMO should work with LCT to design and implement remedial actions to mitigate negative impacts identified in the revised Coastal erosion study.
- (ii) DEG and FMO should support LCT to assure that remedial actions specified in the Environmental Audit will be implemented.
- (iii) DEG and FMO should ask LCT to disclose a nontechnical summary of the coastal erosion study and to conduct consultations on this nontechnical summary with people residing in the area of influence of the project, including the Complainants.
- (iv) DEG and FMO should work with LCT, the port and relevant Togolese authorities to design and implement measures which would reduce erosion impacts caused by the port on the coast east of the port.
- (v) The DEG and FMO Management Board should issue a Management Action Plan which should lay out detailed time-bound measures which would address non-compliances and related harm.

The Compliance Review Report issued the following recommendation to address the stated non-compliances regarding DEG and FMO's policies and procedures:

- FMO and DEG should play an active role in supervision of projects for which significant noncompliance issues have credibly been identified. More active involvement is needed even in arrangements where divisions of labour have been agreed upon between co-financing institutions under partnership agreements. A direct engagement of FMO and DEG is particularly needed if noncompliance issues have been identified in a Compliance Review Report conducted by a complaint mechanism of one of the DFIs with which DEG and FMO pursue joint funding of the project.

¹⁰ The IEP considers the study as the final response to the non-compliance findings in the 2016 CAO Investigation Report. FMO's E&S specialists expressed disagreements with the interpretation of the findings of the study.

Annex 2 provides an overview of the ICM non-compliance findings and related harms, the ICM recommendations, and DEG and FMO MAP commitments to address these recommendations.

2.5. The DEG and FMO Management Action Plan

In response to the ICM Compliance Review Report and non-compliance findings, DEG and FMO issued a Management Action Plan (“MAP”) which expresses the following positions:

- The MAP states that: *“[...] based on the findings of the Environmental and Social Audit 2020 as well as the 2022 Study, DEG and FMO will not require LCT to design additional measures or to provide for individual compensation as this would only be appropriate if the studies would have concluded that the impacts observed are a result of significant contribution of the Project.”* The MAP states that, as a potential very limited contribution cannot be excluded, DEG and FMO follow the application of the precautionary principle in line with the 2020 Environment and Social Audit and therefore supports the implementation of actions as defined in the 2020 Audit, which includes Corporate Social Responsibility (“CSR”) measures, to be an appropriate approach.
- The MAP states that DEG and FMO support disclosure and consultation of a non-technical summary of the coastal erosion study but that this disclosure requires the approval of the Togolese authorities and that lenders have asked the responsible Ministry to provide approval for disclosure.
- The MAP lays out adjustments in DEG and FMO internal processes on how supervision and risk management will be strengthened in case that complaint mechanisms of other International Finance Institutions (“IFIs”) have non-compliance findings on projects in which DEG and FMO are also involved.

The MAP summarized DEG and FMO’s joint response to the ICM recommendations and outlined different actions which DEG and FMO committed to implement to address the IEP’s findings and recommendations. Annex 2 provides an overview of the ICM non-compliance findings and related harms, the ICM recommendations, and DEG and FMO MAP commitments to address these recommendations.

2.6. The ICM First Monitoring Report

The First Monitoring Report of 20 March 2025, which covers the period between September 2022 and July 2024, assessed DEG and FMO’s implementation of ICM recommendations taking into account the MAP. It covered non-compliance findings related to coastal erosion impacts, disclosure and consultation, and on project supervision in complaint cases.

Non-compliance Findings related to Coastal Erosion Impacts

In response to the non-compliance finding of the CAO Compliance Investigation Report issued in 2016, lenders agreed to support LCT in the development of a coastal erosion study, which would assess causes of coastal erosion. As part of this study, the contribution of the LCT project on coastal erosion should also be determined.

The study was completed in 2022 and showed that the construction of the Port of Lomé caused significant coastal erosion. The study concludes that the LCT project has comparatively modest contribution to the total coastal erosion east of the port. The IEP considered the completed study as the final response to the non-compliance findings in the 2016 CAO Investigation Report. FMO's Environmental & Social ("E&S") specialists expressed disagreements with the interpretation of the findings of the study.

The IFC Performance Standard 1 ("PS1"), which is applied by DEG and FMO, requires that negative impacts be avoided, and if not possible to be avoided, then be mitigated or remedied. The IEP found that DEG and FMO should have worked with LCT and other relevant stakeholders to assess project-related erosion impacts on coastal communities and based on the scope and magnitude of the impacts, determine mitigating and remedial measures in line with PS1. Such remedial measures go beyond relying on LCT's Corporate Social Responsibility activities.

In the 2022 Compliance Review Report, the IEP recommended that DEG and FMO should support LCT to assure that remedial actions specified in the Environmental Audit of May 2020 to be implemented (Recommendation 2, ICM Compliance Review Report 2022). In the first monitoring period, the IEP understood that FMO and DEG were making significant efforts to support LCT in the implementation of a community support project, which LCT conducts as part of its Corporate Social Responsibility activities. The IEP emphasized that the community development program should, as defined by the Environmental Audit and as incorporated in the MAP in response to ICM recommendation 2, encompass an employment program for the youth and income-generating activities for the affected community members, and that the community engagement framework should also include community stakeholders adversely affected by coastal erosion.

Furthermore, the Environmental Audit defines support in the construction of coastal protection infrastructure as one of the five specific actions. While the construction of coastal erosion protection could be addressed at national level, in the First Monitoring Report, the IEP found that FMO and DEG should support LCT with obtaining clarification from national agencies, such as from the *Agence Nationale de Gestion de l'Environnement* ("ANGE") about the scope of this activity as per the Environmental Audit and implement measures accordingly in collaboration with relevant stakeholders.

To conclude, during the period covered by the First Monitoring Report, DEG and FMO made significant efforts to support LCT with a framework for community engagement and development, which LCT conducts as part of its Corporate Social Responsibility activities. Nonetheless, the IEP found that coastal erosion impacts caused by LCT were not adequately addressed in the MAP, as adverse impacts on affected communities were neither assessed nor addressed in line with PS1. In addition, there remained unclarity about the support to the construction of coastal protection infrastructure. Therefore, the identified harms have not been remedied, and the project remained in non-compliance status.

Non-compliance Findings related to Disclosure and Consultation

The 2022 ICM Compliance Review Report contains a non-compliance finding as the 2022 coastal erosion study, designed as a complement of the ESIA, had not been disclosed.

The Report recommended that at least a non-technical summary of the study must be disclosed and consulted with affected people. LCT informed the lenders that – in accordance with the LCT concession agreement - disclosure is only possible with approval of Togolese government authorities. Such approval was not provided.

In 2023, the lenders sent a joint note to the Ministry of Maritime Economy, Fisheries and Coastal Protection (“MMEFCP”), to request approval for disclosure. Their request was officially refused by the respective Minister. Therefore, in the First Monitoring Report, the IEP found that disclosure of the non-technical summary of the 2022 study had not happened and the project thus remained in non-compliance with IFC PS1.

Project Supervision in Complaint Cases

The 2022 ICM Compliance Review Report recommended that DEG and FMO step up their engagement in project supervision in cases where there is credible evidence of significant non-compliances, particularly if these have been identified in a Compliance Review Report conducted by an Independent Accountability Mechanism of one of the DFIs with which DEG and FMO pursue joint funding of a project. Subsequently, FMO has adopted administrative procedures to create internal alerts and associated actions for complaints with other IAMs related to projects either prior to contracting or during monitoring, while DEG intends to introduce standard legal building blocks for non-finance sector investments which require clients to immediately notify DEG of any complaint they are made aware of and pursuant to which their international development financiers or multilateral development banks have received a complaint through their respective complaint mechanism.

In the First Monitoring Report, the IEP concluded that such processes and legal requirements are useful but not sufficient. The knowledge of complaint cases should further lead to increased institutional resources and supervision efforts of those projects.

3. Progress made with addressing Non-Compliance Findings

3.1. Coastal Erosion Impacts

In the 2022 Compliance Review Report, the IEP recommended that DEG and FMO should work with LCT to design and implement remedial actions to mitigate negative impacts identified in the revised coastal erosion study (Recommendation 1, ICM Compliance Review Report 2022). As a cumulative impact assessment in respect to coastal erosion impacts on the area east of the port was not adequately conducted at the time when the ESIA was prepared, the detrimental impact of the port, at the time of signature of the financing agreement, was not properly identified and no mitigation measures were considered.

While project-related impacts on coastal erosion have been determined through the 2022 coastal erosion study, no further measures to address the non-compliance finding related to coastal erosion impacts and in response to recommendation 1 of the ICM Compliance Review Report 2022, were undertaken in the current reporting period. DEG and FMO informed the IEP that they maintain the same position with respect to recommendation 1 as in the MAP, namely that they believe that no additional measures are needed apart from the Environmental and Social Audit 2020, which – according to the MAP - is deemed an appropriate approach for the limited contribution of the project to the coastal erosion.

The IEP finds that DEG and FMO should have worked with LCT and other relevant stakeholders to assess project-related erosion impacts on coastal communities and based on the scope and magnitude of the impacts and determine mitigating and remedial measures in line with PS1. Such remedial measures go beyond relying on LCT's Corporate Social Responsibility activities. Until adverse impacts on communities are assessed and addressed, the project remains in non-compliance status.

In the 2022 Compliance Review report, the IEP recommended that DEG and FMO should support LCT to ensure that remedial actions specified in the Environmental Audit of May 2020 are implemented (Recommendation 2, ICM Compliance Review Report 2022).¹¹ The Environmental Audit specified five actions in relation to the communities affected by coastal erosion in the past decades:

- i) Development of a Memorandum of Understanding with communities;
- ii) Support to the construction of coastal protection infrastructure;
- iii) Development and implementation of a community development program;
- iv) An employment program for the youth; and
- v) Income-generating activities for the affected community members.

In the current monitoring period, DEG and FMO have supported LCT with the development of stakeholder engagement and CSR strategy and activities, making use of their respective Technical Assistance (“TA”) funds to engage a specialized consultant to support LCT specifically in relation to:

¹¹ The next Environmental Audit Report, due in 2025, was not publicly available at the time of publication of the Second Monitoring Report and has not been considered in this monitoring report. The site audit took place in June 2025 (see: <https://ange.tg/actualite/audit-environnemental-et-social-du-site-dexploitation-de-lome-conteneur-terminal-lct>).

- (i) strengthening internal capacity with a focus on the development of a solid stakeholder engagement strategy; and
- (ii) the development and implementation of CSR activities by LCT to improve the livelihoods of all communities, within LCT's area of influence, not specifically targeted to support affected coastal communities.

While an in-depth consultant report produced as an outcome of the TA engagement was presented to LCT senior management late 2024, there is no indication that LCT will implement the community development program and stakeholder engagement activities. During the second monitoring period, the IEP was informed by DEG and FMO that due to LCT's limited cooperation, DEG and FMO are in the process of closing the TA project. The IEP was informed of the possibility of a new TA project focused on supporting LCT with the development of a community engagement framework, updating the Stakeholder Engagement Plan and identifying CSR activities. DEG and FMO made a proposal for the new TA project in March 2025 but received no indications of further progress or interest in this project from LCT.

Furthermore, the Environmental Audit required the provision of support to the construction of coastal protection infrastructure as one of the five specific actions (Recommendations 2 and 4 of ICM Compliance Review report 2022). During the second reporting period, DEG and FMO have raised this with LCT, which sought clarification from national agencies, such as the *Agence Nationale de gestion de l'Environnement* ("ANGE"), about the scope of this activity as per the Environmental Audit and implement measures accordingly in collaboration with relevant stakeholders but did not receive a formal response. According to the applicable law and as stated in the Concession Agreement for the project, the authority for coastal infrastructure lies with the Ministry of Maritime Economy, Fisheries and Coastal Protection ("MMEFCP"). Due to this institutional mandate for coastal protection and in light of LCT's limited responsiveness to requests from DEG and FMO, the IEP was informed that FMO and DEG do not expect to be able to support or facilitate actions towards the development of coastal protection infrastructure.

To conclude, DEG and FMO have made considerable efforts to support LCT with a framework for community engagement and development as part of LCT's Corporate Social Responsibility activities. Nonetheless, the IEP is of the view that coastal erosion impacts associated with LCT have not adequately been addressed as adverse impacts on affected coastal communities have not been assessed and managed in line with PS1, and LCT has not supported the development of coastal protection infrastructure. Therefore, the identified harms have not been remedied, and the project remains in non-compliance status.

3.2. Disclosure and Consultation

The coastal erosion study of 2022 has not been published nor disclosed to project-affected communities, neither in its complete version nor as a nontechnical summary and thus no consultations have taken place with affected communities. The ICM Compliance Review Report found the lack of disclosure and consultation as constituting a non-compliance with PS1. The ICM Compliance Review Report considered disclosure and consultation of at least a nontechnical summary of the 2022 study essential to achieve compliance status (Recommendation 3, ICM Compliance Review Report 2022).

The non-disclosure of the 2022 study is a matter of concern. The study was agreed upon by the lenders to be conducted in order to complement the ESIA completed in 2010 where impacts on the coast east of the port were insufficiently assessed. The coastal erosion study is thus a complement to the ESIA. Therefore, disclosure requirements for an ESIA are also applicable to this complementary coastal erosion study.

In the joint MAP, DEG and FMO expressed agreement with the need to disclose a nontechnical summary and recognized the difficulties they encountered in obtaining agreement from the Government.

On 16 August 2023, DEG and FMO, together with IFC, sent a joint letter to the MMEFCP and requested approval for disclosure. On 11 March 2024, the respective Minister formally responded to the lenders' request and indicated not to be in favour of publication. Consequently, alternative options were considered by DEG and FMO as to how key findings of the study could be disclosed, and how impacts on coastal erosion could be established through an alternative study which would not be conducted through LCT and thus not be subject to the alleged confidentiality clause.

During the second monitoring period, the IEP was informed that DEG and FMO do not consider these options viable. Legal review of the concession agreement by FMO and DEG indicated that parties are bound by the confidentiality clause in the agreement unless required by government authorities. DEG and FMO informed the ICM that they do not expect the Government of Togo's position on disclosure to change. In 2024, DEG and FMO contacted several independent technical consultants to assess the feasibility of conducting an alternative coastal erosion study that could be publicly shared. None of the technical consultants was interested to conduct such a study as the lack of access to critical project-specific data would replicate the limitations of prior studies and significantly constrain the quality and accuracy of findings. Therefore, DEG and FMO concluded that commissioning an alternative study would not result in any additional, useful information beyond what is either already available in the public domain or subject to confidentiality limitations.

To conclude, DEG and FMO do not expect that a technical summary of the coastal erosion study of 2022 can be published or disclosed to project-affected communities, nor that consultations can take place with affected communities. Therefore, the IEP finds that, as no disclosure and consultation has taken place, the project remains in non-compliance.

3.3. Project supervision in complaint cases

The ICM Compliance Review Report recommended that DEG and FMO step up their engagement in project supervision in cases where there is credible evidence of significant non-compliances, particularly if these have been identified in a Compliance Review Report conducted by a complaint mechanism of one of the DFIs in which DEG and FMO pursue a joint funding of the project. The First Monitoring report stated that FMO has adopted administrative procedures to create internal alerts and associated actions for complaints with other IAMs related to projects either prior to contracting or during monitoring.

During the second monitoring period, FMO shared the adjusted FMO Issue Management process, which spells out the internal process to address and respond to ICM Complaints as well as the internal process in case a complaint is filed with another institution, concerning a project that FMO is invested in and/or FMO is mentioned in such a complaint. FMO has also updated the Financial Proposal template which contains a mandatory requirement for the deal team to consider complaints with ICM and other Independent Accountability Mechanisms (“IAMS”).

DEG informed the IEP that it is in the process of amending existing legal building blocks for all investment sectors, which is to be approved by a formal legal contract committee. The existing legal building blocks already include clauses that refer to “environmental and social claims” and related reporting requirements to DEG. Therefore, DEG will further specify the definition of the claim to include complaints addressed to IAMS”.

Such processes and legal requirements are useful but not sufficient. The knowledge of these complaints should result in increased institutional resources and supervision efforts of those projects as co-financing DFIs are typically informed of complaints filed with IAMS. FMO has taken steps to improve the oversight of projects where complaints arise, such as the involvement of the Issue Management department when complaints are filed with the ICM or other IAMS. However, it remains unclear how DEG’s legal measures will lead to stronger supervisory involvement by DEG in projects where complaints are filed with IAMS.

4. Conclusion

The 2022 coastal erosion study, which was regarded as satisfactory by the lenders including DEG and FMO, attributes a relatively moderate contribution on coastal erosion east of the port to the LCT project. The impacts of this contribution to coastal erosion on the coastal communities have not been assessed and no responsive mitigation measures have been designed and implemented.

DEG and FMO made significant efforts to support LCT in establishing capacity to conduct an improved Corporate Social Responsibility program and solid stakeholder engagement strategy. However, there is no indication that LCT will implement the community development program and stakeholder engagement activities, and consequently, DEG and FMO are in the process of closing the TA project. The IEP notes that these activities were, in any event, not designed to particularly target those communities affected by the coastal erosion east of the port.

DEG and FMO provided no support towards coastal erosion protection measures as per the Environmental Audit and, accordingly, have not attempted to contribute to implementation measures in collaboration with relevant stakeholders. Due to the institutional mandate for coastal protection at national level and in light of LCT's limited responsiveness to requests from DEG and FMO, the IEP was informed that DEG and FMO do not expect that supporting or facilitating the development of coastal protection infrastructure in the future is feasible.

Finally, the coastal erosion study or a nontechnical summary has not been disclosed, despite efforts made by DEG and FMO to obtain agreement by the Government of Togo.

Therefore, the IEP concludes that the material non-compliances have not sufficiently been addressed. It notes that DEG and FMO have exited the project, and LCT has shown limited interest to further engage with DEG and FMO. Given the limited progress made with the implementation of ICM recommendations as stated in the 2022 ICM Compliance Review Report, and the lack of a reasonable expectation of further progress, the IEP has decided to close the case and discontinue its monitoring.

ANNEX 1 Complaint letter

Complaint in French :

Association des personnes victimes de l'érosion côtière

BP: 4180

Courriel: [EXPURGÉ]

Web site : [EXPURGÉ]

Tél : [EXPURGÉ] Lomé - Togo Lomé , le 11 Juillet 2018

OBJET : Demande d'enquête Sur les textes et suivit de la

Banque Allemande de Développement (DEG) et FMO

Sur le projet Port à container de Lomé (Togo)

Cher Monsieur/Madame,

Nous venons par la présente correspondance porté plainte contre la Banque Allemande de Développement (DEG) et FMO sur les l'impact négatif occasionné par la construction du port à container de Lomé à laquelle elles sont activement partenaires financières de LCT.

En effet la construction du port de Lomé à laquelle a participé de façon financier la Banque Allemande de Développement (DEG) et FMO a provoqué l'accélération de l'avancée de la mer à l'est du port autonome de Lomé ; ceci depuis 2012. Le Togo, pays d'Afrique de l'ouest situé entre le Bénin à l'est, le Ghana à l'ouest, le Burkina-Faso au nord, et à qui la nature a fait le merveilleux don de L'océan Atlantique au sud, commençait déjà à faire face à l'avancée menaçante, quoique modérée, des eaux de la mer à une vitesse de **1 à 7m chaque année** sur la côte Est du port depuis sa construction en 1968 jusqu'en 2012 où nous avons noté une accélération de l'avancée allant jusqu'à une vitesse d'environ **15m chaque mois**.

Alarmée par les dégâts – l'érosion côtière, la destruction des habitations, le ravage des cimetières, exhumation des ossements humains, les cases de fétiches, maisons de culte les plantations de cocotiers, les espaces de tourisme notamment Obama beach et rend la pêche très difficile, la communauté riveraine s'était mobilisée pour créer un collectif ayant pour objectif d'en chercher les causes, et de trouver les voies et moyens pour diminuer la souffrance des populations sinistrées poussées à se déplacer de jour en jour. Aussi, avons-nous mené des démarches d'abord nationales, toutes pacifiques et citoyennes auprès de certains professeurs de l'Université de Lomé spécialisées en la matière, les autorités, sans satisfaction. Nous nous sommes alors dirigés vers les institutions internationales, en l'occurrence, le bureau local de la Banque Mondiale, la représentante régionale de la SFI au Ghana, le Panel d'inspection de la Banque Mondiale aux USA, Compliance Advisor Ombudsman (CAO) aux USA. Cette dernière s'occupant et agissant sous l'autorité directe du président de la Banque Mondiale, est habilité à mener des enquêtes sur l'investissement de la branche privée de la Banque Mondiale dans la construction du port à container de LCT. La conclusion de leurs enquêtes que vous trouverez dans notre annexe et accessibles sur leur site : WWW.cao-ombudsman.org a relevé beaucoup de non-conformités sur :

- Les textes de la Banque Mondiale

- Les droits des communautés victimes

- L'incompétence des experts du bureau ayant préparé l'étude d'impact environnemental volet social, INROS LACKNER, LCT, SFI et le consortium de Banque (DEG et FMO) qui ont fiancer le projet n'ont pas tenir compte des impactes historiques du premier port dans les années 60.

➤Vu le classement du projet LCT par la Banque Mondiale dans la **catégorie A** (Projet à haut risque pour la communauté riveraine)

➤Vu l'étude de l'U.E.M.O.A. 2007, stipulant que les travaux portuaires amplifient l'érosion côtière.

➤Vu l'interpellation de l'Etat béninois sur les impacts négatifs du port de Lomé et ses brises lames.

➤ Vu la conclusion du rapport de conformité du CAO 2016, relevant que le bureau INROS LACKNER, LCT et SFI n'ont pas pris en compte les impacts historiques du premier port de Lomé construit dans les années 60.

➤ Vu le premier rapport de suivi de l'enquête de conformité CAO de mars 2018, disant que la SFI a déclaré au CAO qu'elle a élaboré une nouvelle directive (ESS) pour les ports, les havres, les terminaux à conteneur, s'appuyant notamment sur les leçons dégagées du cas du Togo, LCT, entre autres projets, publiée en janvier 2017, la nouvelle directive ESS comporte une section sur les processus côtiers et la géomorphologie des fonds marins et littoraux.

Nous voudrions solliciter auprès de votre institution d'investigation une enquête et pour situer la responsabilité, le dédommagement et la position de la DEG et la FMO sur les textes internationaux environnementaux, les textes de la Banque suivit, et les droits des riverains dans les affaires port à conteneur de Lomé, jugées préjudiciables par la communauté victime sur les plans environnement et la violation des droits humains, en vue de promouvoir la démocratie et l'égalité des droits. Comptant sur votre compétence juridique pour interpeler votre investigation afin qu'elle fournisse les explications sur les lacunes à elle reprochées dans les documents d'enquêtes évoqués plus haut.

Nous vous prions de bien vouloir agréer l'expression de nos très distingués sentiments.

LE PRESIDENT

[EXPURGÉ]

Ci-joints : **Documents et CD**

- Programme régional de lutte contre l'érosion U.E.M.O.A. 2007
- Etude d'impact environnemental 2010
- Echange de correspondance avec le bureau régional de la SFI 2014
- Bureau local de la Banque Mondiale 2014
- Avis du Panel d'inspection 2015
- Rapport d'évaluation 2015
- Rapport de pré-enquête 2015
- Intermède d'enquête 2016
- Enquête de conformité 2016
- Directive modifiée SFI 2017
- Premier suivi 2018
- Un mandat de communauté.

AMPLIATION :

- Ambassade de la République Fédérale d'Allemagne
- Ambassades des USA
- Ambassade de France
- Compliance Advisor Ombudsman (CAO)
- Panel inspection
- ONU-CLIMAT
- Accountability counsel

Complaint, translated in English:

Association des personnes victimes de l'érosion côtière

PO Box: 4180

Email: [REDACTED]

Website: [REDACTED]

Tel.: [REDACTED] Lomé - Togo Lomé, 11 July 2018

Subject: Request for investigation into documents and follow-up of the German Development Bank (DEG) and FMO

With regard to the Lomé Container Terminal project (Togo)

Dear Sir/Madam,

We hereby file a complaint against the German Development Bank (DEG) and FMO concerning the negative impact of the construction of the Lomé Container Terminal (LCT) in which they were active financial partners.

The construction of the Lomé Terminal, in which the German Development Bank (DEG) and FMO were financial participants, has led to accelerated sea ingress to the east of the Lomé Autonomous Terminal since 2012. Togo, a West African country located between Benin to the east, Ghana to the west, Burkina-Faso to the north, and to which nature has given the wonderful gift of the Atlantic Ocean to the south, had already been confronted with the threatening ingress of ocean water along the coast east of the port since its construction in 1968, albeit at a moderate rate of **1 to 7m every year** prior to 2012, when ingress began to accelerate to a rate of about **15m every month**.

Alarmed by the damage (coastal erosion, destruction of homes, devastation of cemeteries, exhumation of human bones, charming huts, houses of worship, coconut plantations, tourism areas, notably Obama beach, and adverse impact on fisheries), the local community mobilised to establish a collective with the purpose of identifying the causes and finding ways to reduce the suffering of the affected populations, who were being forced to relocate on a daily basis. Taking peaceful and civic-minded steps, initially at the national level, we consulted certain professors at the University of Lomé specialised in the subject and contacted authorities, but without obtaining any satisfaction. We then turned to international organisations, namely the local World Bank field office, the IFC regional representative in Ghana, the World Bank Inspection Panel in the USA and the Compliance Advisor Ombudsman (CAO) in the USA. The latter, acting under the direct authority of the President of the World Bank, is empowered to investigate the investment of the World Bank's private partners in the LCT construction. The conclusion of their investigations, which can be found enclosed as well as on their website at www.cao-ombudsman.org, identified many deficiencies relating to:

- World Bank documents

- Rights of victim communities

- The incompetency of the experts from INROS LACKNER (the office that prepared the environmental and social impact study), LCT, IFC and the bank consortium that financed the project (DEG and FMO) resulted in them overlooking the historical impact of the first port in the 1960s.

➤ In view of the World Bank's classification of the LCT project as **Category A** (high risk project for the local community)

➤ In view of the UEMOA 2007 study, stating that the port construction work amplifies coastal erosion,

➤ In view of the questions raised by the Republic of Benin regarding the adverse effects of the Port of Lomé and its breakwaters,

➤ In view of the conclusion in the CAO 2016 compliance report that INROS LACKNER, LCT and IFC did not consider the historical consequences of the initial Port of Lomé built in the 1960s,

➤ In view of the first follow-up report to the CAO compliance investigation of March 2018 stating how IFC informed the CAO that it had developed a new (ESS) guideline for ports, harbours, container

terminals, drawing in particular on lessons learned from the case of LCT in Togo and other projects, this report having been published in January 2017 and this new ESS guideline including a section on coastal processes and geomorphology of the seabed and coastline,

we respectfully request that your investigative body, acting with the aim of promoting democracy and equal rights, examine and determine the liability, reparations and position of DEG and FMO with regard to international environmental regulations, bank regulations and the rights of local residents in relation to the Lomé Container Terminal, which the victim community considers to be harmful to the environment and in violation of human rights. Counting on your legal expertise to review your investigation and provide explanations for the shortcomings in the above-mentioned investigation documents,

we remain grateful to you for your kind attention.

PRESIDENT

[REDACTED]

Enclosures: **Documents and CD**

- UEMOA Regional Erosion Control Programme 2007
- Environmental Impact Assessment 2010
- Exchange of correspondence with IFC regional office 2014
- World Bank field office 2014
- Inspection Panel Report 2015
- Evaluation report 2015
- Preliminary investigation report 2015
- Interim investigation 2016
- Compliance investigation 2016
- Amended IFC Guideline 2017
- First follow-up 2018
- Community mandate.

cc:

- Embassy of the Federal Republic of Germany
- US Embassies
- French Embassy
- Compliance Advisor Ombudsman (CAO)
- Inspection panel
- UN CLIMATE CHANGE
- Accountability counsel

ANNEX 2: Summary of ICM non-compliance findings and related harm, ICM recommendations, and DEG and FMO MAP commitments to address the findings

ICM non-compliance findings	ICM recommendation	MAP commitments
<p>ICM non-compliance findings related to coastal erosion impact (recommendations 1, 2, 4):</p> <p>Non-assessment of risks of Lomé Container Terminal on coastal area east of the port</p> <p>No cumulative impact assessment of Lomé Container Terminal on Coastal Erosion</p>	<p>Recommendation 1: FMO and DEG to work with LCT to design and implement remedial actions to mitigate impacts identified in the revised Coastal Erosion Study completed in February 2022.</p>	<p>N/A</p>
	<p>Recommendation 2: FMO and DEG to support LCT to assure that remedial actions specified in the Environmental Audit will be implemented.</p> <p>The Environmental Audit specified five actions in relation to the communities affected by coastal erosion in the past decades:</p> <ul style="list-style-type: none"> - i) Development of a Memorandum of Understanding with communities; - ii) Support to the construction of coastal protection infrastructure; - iii) Development and implementation of a community development program; - iv) An employment program for the youth; and - v) Income-generating activities for the affected community members. 	<p>As per actions (i) and (iii) of the Environmental Audit: Support LCT in their implementation of CSR activities that have been agreed with the coastal communities within LCT's area of influence by engaging an external consultant.</p> <p>As per the Environmental Audit, this plan should include the development and implementation of income-generating activities (action iv) and a local employment plan (action v). The categories of CSR activities may include i) health services, ii) education services, iii) local infrastructure, and iv) livelihood improvement, depending on the outcome of the consultation with communities.</p> <p><u>Deliverables:</u></p> <ul style="list-style-type: none"> a) Signing of TA project; b) Consultant's audit of LCT community relations team's capacity and proposal for improved governance based on benchmarking and international best practice; c) Identification and implementation of CSR activities in 2024 based on priority needs of communities, including evidence of implementation of activities following consultations held with communities and progress reporting; d) Monitoring of implementation of Environmental Audit measures, with a focus on CSR; e) Evidence of income-generating activities and local employment plan.
		<p>The development of a plan to support the construction of coastal erosion protection infrastructure (action ii). In line with the information provided under ICM recommendation 4 in relation to the coordination efforts of the WACA Project in specific, DEG and FMO are of the view that</p>

		<p>this action is addressed at national level. However, confirmation will be requested from ANGE.</p> <p><u>Deliverables:</u> a) LCT to obtain clarification from Agence Nationale de Gestion de l'Environnement (ANGE) about the scope of the activity which is partly defined in the Environmental License.</p>
	<p>Recommendation 4: DEG and FMO to work with LCT and relevant Togolese authorities and stakeholders to design and implement measures which would reduce coastal erosion impacts on the coast east of the port.</p>	<p>N/A</p>
<p>ICM non-compliance findings related to Disclosure and Consultation (recommendation 3):</p> <p>Non-compliance with PS1 due to consultation failure on ESIA (2010) with people living in the area of influence east of port potentially at risk of impacts.</p>	<p>Recommendation 3: DEG and FMO to ask LCT to disclose a nontechnical summary of the revised Coastal Erosion Study and to conduct consultations on this nontechnical summary with people residing in the area of influence to the project (including the complainants).</p>	<p>The disclosure of the nontechnical summary of the 2022 Coastal Erosion Study:</p> <p>a) DEG and FMO to request authorization for the publication of the 2022 Study from the Ministry of Maritime Economy, Fisheries and Coastal Protection (MMEFCP).</p> <p>If the abovementioned effort is not successful, DEG and FMO have identified the following alternative actions:</p> <p>b) DEG and FMO to request their respective Embassies to engage with the MMEFCP and/or other Togolese government officials.</p> <p><u>Deliverables:</u> a) Evidence of DEG, FMO and LCT's efforts (e.g., official correspondence with government authorities).</p> <hr/> <p>Consultation in respect of the nontechnical summary with the people residing in the area of influence of the Project (including the Complainant) with support from the consultant. If authorization for the publication of the 2022 Study is granted, DEG and FMO will support LCT in the preparation of a public information meeting to present the nontechnical summary of the 2022 Study to the communities. If deemed appropriate, DEG and FMO will participate in the public meetings.</p> <p><u>Deliverables:</u> a) Evidence of support in preparation of meeting; b) Evidence of public information meetings (e.g., minutes of meetings, attendance sheets, pictures).</p>

<p>ICM non-compliance findings related to project supervision in complaint cases (recommendation 5)</p>	<p>Recommendation 5 (Policies and Procedures): DEG and FMO to assume an intensified engagement in project supervision in cases where there is credible evidence of significant non-compliances, particularly if these have been identified in a Compliance Review Report conducted by a complaint mechanism of one of the DFIs with which DEG and FMO pursue joint funding of the project.</p>	<p>FMO: Implementation of two specific actions throughout the internal procedures for FMO's investment process.</p> <p><u>Deliverables:</u></p> <p>a) Investment process (before contracting): FMO's Financial Proposals will contain a mandatory field related to complaints at other independent accountability mechanisms (IAMs), including FMO's increased supervision requirements (if applicable).</p> <p>b) Monitoring process (after contracting): the design of an internal procedure for FMO's investment teams to report on complaints and identified non-compliances by other IAMs in periodic reviews</p> <hr/> <p>DEG: Implementation of contractual arrangements with clients regarding complaints (initiative led by DEG, including involvement of FMO as member of the ICM).</p> <p><u>Deliverables:</u></p> <p>a) Standard legal building blocks for non-finance sector investments: include in the DEG Environmental & Social contract building blocks that clients have to immediately notify DEG of any complaint they are made aware of and pursuant to which their international development financiers or multilateral development banks have received a complaint through their respective complaint mechanisms or ombudsmen.</p>
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ANNEX 3: Annex 1 of the DEG and FMO Joint Management Action Plan to the ICM Compliance Review Report on Lome Container Terminal SA

ICM Recommendation 1: FMO and DEG to work with LCT to design and implement remedial actions to mitigate impacts identified in the revised Coastal Erosion Study completed in February 2022.

Response DEG and FMO: The conclusion of the revised Coastal Erosion Study (2022 Study), completed in February 2022, concludes (i) an estimated very limited contribution to coastal erosion resulting from the effects of the combination of the spur groyne and access channel of PAL (i.e., estimated potential cause linked to infrastructure utilized by among others LCT) while noting that this finding is based on modelling techniques, (ii) based on the analysis of actual coastal shoreline changes that occurred between 2010 and 2019, the 2022 Study did not mention the LCT, nor the infrastructures associated to it, among the causes of the observed coastal erosion east of the Port between 2010 and 2019. Lastly, the 2022 Study notes a decrease in overall erosion states between 2013 and 2019, except for hot spot areas where, according to the 2022 Study, erosion rates increased among others due to sand mining activities (from 1988 to 2013) and significant breaches in beach rock which had been exposed prior to construction of LCT. The findings of the 2022 Study in relation to the attribution of causation to observed erosion are similar to those of the 2020 Environmental and Social Audit, which has been made [publicly available](#) by IFC.

Hence, based on the findings of the Environmental and Social Audit of 2020 as well as the most recent 2022 Study, as referred to above, DEG and FMO will not require LCT to design additional measures or to provide for individual compensation as this would be only appropriate if the studies would have concluded that the impacts observed are a result of significant contribution of the Project. As the 2010 ESIA and the 2020 E&S Audit state, a potential very limited contribution cannot be excluded, thus we support the application of the precautionary principle taken by the 2020 E&S Audit. Therefore, LCT's implementation of the actions defined in the 2020 Environmental and Social Audit is deemed an appropriate approach where the surrounding communities (as a whole) benefit from the efforts LCT is willing to undertake in relation to community development.

Action(s)	Deliverable(s)	Timeline
N/A	N/A	N/A

ICM Recommendation 2: FMO and DEG to support LCT to assure that remedial actions specified in the Environmental Audit will be implemented.

Response DEG and FMO: DEG and FMO note LCT's already ongoing implementation of the actions specified in the Environmental and Social Audit, which includes (among others) the implementation of Community Development / Corporate Social Responsibility (CSR) activities following consultation with the surrounding communities which are within LCT's area of influence.

To support LCT in their community engagement strategy and implementation of the five actions specified in the Environmental License of 2020, DEG and FMO will make use of their respective Technical Assistance funds to engage a specialized consultant to support LCT specifically in relation to (i) strengthening internal capacity building with a focus on the development of a solid stakeholder engagement strategy; and (ii) development and implementation of the ongoing CSR activities by LCT to improve communities' livelihoods. We believe that supporting LCT in developing a sound framework for community engagement will contribute to improved mutual understanding between LCT and the communities, as well as to a clear process to jointly identify CSR activities that will be in the benefit of the communities at large, including those historically affected by coastal erosion.

Action(s)	Deliverable(s)	Timeline
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<p>As per actions (i) and (iii) of the Environmental Audit: Support LCT in their implementation of CSR activities that have been agreed with the coastal communities within LCT's area of influence by engaging an external consultant.</p>	<p>a) Signing of TA project; b) Consultant's audit of LCT community relations team's capacity and proposal for improved governance based on benchmarking and international best practice;</p>	<p>a) Completed before 15 December 2023 b) Completed by December 2024 c) Starting January 2024 d) Starting January 2024 e) Started</p>
<p>As per the Environmental Audit, this plan should include the development and implementation of income-generating activities (action iv) and a local employment plan (action v). The categories of CSR activities may include i) health services, ii) education services, iii) local infrastructure, and iv) livelihood improvement, depending on the outcome of the consultation with communities.</p>	<p>c) Identification and implementation of CSR activities in 2024 based on priority needs of communities, including evidence of implementation of activities following consultations held with communities and progress reporting; d) Monitoring of implementation of Environmental Audit measures, with a focus on CSR; e) Evidence of income-generating activities and local employment plan.</p>	
<p>The development of a plan to support the construction of coastal erosion protection infrastructure (action ii). In line with the information provided under ICM recommendation 4 in relation to the coordination efforts of the WACA Project in specific, DEG and FMO are of the view that this action is addressed at national level. However, confirmation will be requested from ANGE.</p>	<p>a) LCT to obtain clarification from Agence Nationale de Gestion de l'Environnement (ANGE) about the scope of the activity which is partly defined in the Environmental License.</p>	<p>a) Upon response from ANGE</p>
<p>ICM Recommendation 3: DEG and FMO to ask LCT to disclose a nontechnical summary of the revised Coastal Erosion Study and to conduct consultations on this nontechnical summary with people residing in the area of influence to the project (including the complainants)</p>		
<p>Response DEG and FMO: DEG, FMO, and LCT support the disclosure of the 2022 Study. However, it should be noted that the disclosure of this study is beyond the immediate span of control of LCT, DEG and FMO. The Project is part of the Autonomous Port of Lomé, which is under supervision of, among others, the Ministry of Maritime Economy, Fisheries and Coastal Protection (MMEFCP) of Togo. In 2008, LCT signed a 35-year Concession Agreement with the Togolese Republic that establishes roles and responsibilities between the Togolese authorities and the concessionaire (LCT). The publication of any documents related to LCT is subject to the approval of the Togolese authorities.</p> <p>As this has proven to be more complex than was initially foreseen, we have identified alternative ways to attempt to disclose the 2022 Study. Following the consultation with the Minister of Maritime Economy, Fisheries and Coastal Protection in April 2023, DEG and FMO, together with IFC, have submitted a formal <i>Note Verbale</i> to the Minister to seek a formal endorsement for the publication of the nontechnical summary of the 2022 Study. We are awaiting the Minister's response and approval and will continue to urge for public disclosure going forward.</p>		
<p>Action(s)</p>	<p>Deliverable(s)</p>	<p>Timeline</p>

<p>The disclosure of the nontechnical summary of the 2022 Coastal Erosion Study:</p> <p>a) DEG and FMO to request authorization for the publication of the 2022 Study from the Ministry of Maritime Economy, Fisheries and Coastal Protection (MMEFCP)</p> <p>If the abovementioned effort is not successful, DEG and FMO have identified the following alternative actions:</p> <p>b) DEG and FMO to request their respective Embassies to engage with the MMEFCP and/or other Togolese government officials.</p>	<p>a) Evidence of DEG, FMO and LCT's efforts (e.g., official correspondence with government authorities).</p>	<p>a) Completed before publication of the MAP b) Completed by April 2024</p>
<p>Consultation in respect of the nontechnical summary with the people residing in the area of influence of the Project (including the Complainant) with support from the consultant.</p> <p>If authorization for the publication of the 2022 Study is granted, DEG and FMO will support LCT in the preparation of a public information meeting to present the nontechnical summary of the 2022 Study to the communities. If deemed appropriate, DEG and FMO will participate in the public meetings.</p>	<p>a) Evidence of support in preparation of meeting; b) Evidence of public information meetings (e.g., minutes of meetings, attendance sheets, pictures).</p>	<p>a) Within six months after approval for disclosure from Togolese authorities b) Within six months after approval for disclosure from Togolese authorities</p>
<p>Recommendation 4: DEG and FMO to work with LCT and relevant Togolese authorities and stakeholders to design and implement measures which would reduce coastal erosion impacts on the coast east of the port.</p>		

Response DEG and FMO: DEG and FMO recognize that coastal erosion is still putting livelihoods of coastal communities and local private businesses at risk and agree with the IEP that the involvement of multiple actors is essential for addressing this matter. We note that efforts by the Government of Togo and its respective Ministries to address the coastal erosion matter and reduce impacts of the Autonomous Port of Lomé have already commenced and are ongoing, including various projects by WACA, which involves partnerships with national and regional organizations as well as international development partners. In Togo, WACA is funded by the World Bank and implemented in collaboration with a number of other international development partners, including AFD, RVO, IsDB and AfDB among others.

For a better understanding of the scope of WACA and its implementation, specifically in relation to the coastal communities east of the Port, FMO (also on behalf of DEG) engaged with relevant stakeholders like the WACA Project Implementation Unit and IsDB's local implementation unit. We note that all communities east of the Port fall within scope of one of the funding partners. Invest International, a Joint Venture of the Dutch State and FMO, will contribute to the completion of protection measures started on the coast section going from Gbodjomé to the Port area. In addition, the IsDB announced its financial support to the area west of the WACA area, covering a 14-km long area from the village of Katanga to the village of Gbodjomé.

As it concerns an issue of national importance in Togo, DEG and FMO have thus learned that all aspects related to impacts of coastal erosion are coordinated by the Ministry of Maritime Economy, Fisheries and Coastal Protection of Togo. LCT's engagement with the Togolese authorities is limited to the actions specified in the Environmental Audit. Therefore, our support will focus on LCT's implementation of the Environmental Audit measures as described above. In addition, as the WACA Program includes the implementation of social projects, DEG and FMO welcomed the suggestion of direct engagement between LCT and the WACA Project Implementation Unit to seek alignment on the design of social projects (to avoid potential duplication of efforts).

Action(s)	Deliverable(s)	Timeline
N/A	N/A	N/A

Recommendation 5 (Policies and Procedures): DEG and FMO to assume an intensified engagement in project supervision in cases where there is credible evidence of significant non-compliances, particularly if these have been identified in a Compliance Review Report conducted by a complaint mechanism of one of the DFIs with which DEG and FMO pursue joint funding of the project.

Response DEG and FMO: DEG and FMO have intensified their engagement in project supervision in different cases, both through more frequent engagement with financiers and internally through established committees, as a lesson learned from the LCT ICM case. We appreciate the observation of the IEP and recognize that further improvements can be made to internal processes and procedures. Each Development Finance Institution has identified action items to address this recommendation.		
Action(s)	Deliverable(s)	Timeline
FMO: Implementation of two specific actions throughout the internal procedures for FMO's investment process.	<ul style="list-style-type: none"> a) <u>Investment process (before contracting):</u> FMO's Financial Proposals will contain a mandatory field related to complaints at other independent accountability mechanisms (IAMs), including FMO's increased supervision requirements (if applicable). b) <u>Monitoring process (after contracting):</u> the design of an internal procedure for FMO's investment teams to report on complaints and identified non-compliances by other IAMs in periodic reviews. 	<ul style="list-style-type: none"> a) Completed by July 2023 b) Starting January 2024
DEG: Implementation of contractual arrangements with clients regarding complaints (initiative led by DEG, including involvement of FMO as member of the ICM).	<ul style="list-style-type: none"> a) <u>Standard legal building blocks for non-finance sector investments:</u> include in the DEG Environmental & Social contract building blocks that clients have to immediately notify DEG of any complaint they are made aware of and pursuant to which their international development financiers or multilateral development banks have received a complaint through their respective complaint mechanisms or ombudsmen. 	<ul style="list-style-type: none"> a) Completed by January 2024

