

World Bank's accountability body raises "substantial concerns" regarding IFC'S investment in Bridge International Academies.

NAIROBI, 25TH OCTOBER 2019. The World Bank's independent recourse and accountability mechanism, <u>Compliance Advisor Ombudsman (CAO</u>), published a <u>report</u> yesterday raising "substantial concerns" regarding <u>Bridge International Academies</u> (BIA) and announcing their intention to conduct a compliance investigation into the International Finance Corporation's (IFC) investment in the company.

This decision comes after a comprehensive appraisal of a <u>complaint</u> filed in April 2018 by ten Kenyan citizens, with support from <u>The East African Centre for Human Rights (EACHRights.)</u> which outlined alleged contravention of IFC performance standards and abuses of human rights law as committed by the IFC client, BIA. The complaint was filed following a long list of concerns raised by <u>various independent sources</u>, <u>academics</u>, <u>rights holders</u>, <u>civil society organisations</u> and <u>journalists</u> since 2016.

In order to decide whether a compliance investigation is required, the CAO first conducts a compliance appraisal. Through this appraisal, the CAO determined that BIA's operations raise "substantial concerns" regarding: "(a) the specific allegations of adverse impacts to teachers, parents and students raised in the complaints; (b) the Environmental and Social risk profile of the schools in light of their number, locations and concerns regarding their construction methods; and (c) the registration status of the schools and adherence to relevant health and safety requirements.".

The CAO raised concerns regarding the adequacy of the IFCs supervision and due diligence regarding its investment in BIA. The investigation by the CAO will also look into the IFC's supervision of BIA's compliance with national laws, and its capacity and commitment to implement IFC performance standards including those relating to labour practices and the environment, health and safety aspects of its schools. In the course of the investigation, IFC may also consider whether IFC's policy framework provides an appropriate level of protection for workers, the environment and affected communities in a context of providing low-cost services in informal settlements.

Dr Judith Oloo the Chief Executive Officer at the East African Centre for Human Rights commented: 'It has been a long wait for the complainants involved in this case. In making this decision, the CAO has taken into account the scale of BIA's operations in Kenya, the number of communities potentially impacted and also considered the vulnerable status of children and families that are the target market for Bridge schools. We look forward to a rigorous and thorough investigation, and call on all investors to start taking action to avoid further harm.'

Sylvain Aubry, from the Global Initiative for Economic, Social and Cultural Rights, stated: "*The CAO report confirms the concerns and many issues that parents, teachers, and civil society organisations have been raising for years about the harmful practices of Bridge International Academies. It's now time for the World Bank and other major investors such as Mark Zuckerberg,*



Bill Gates, the Omidyar Network, and the UK Government to take immediate action to remedy the situation and comply with the right to education."

Tony Baker from RESULTS Educational Fund added "This investigation comes at a critical time when donors like the Global Partnership for Education and others are exploring their own private sector engagement strategies. Such investment decisions must be evidence-based, and a thorough and honest look at the concerns around for-profit private schools like Bridge is needed to ensure that such approaches truly support national efforts to achieve free, quality education for all."

It is anticipated that the compliance investigation will be completed by September 2020. More information on the investigation can be found <u>here</u>.

The complainants trust that the investigation will confirm what existing evidence already shows and that actions will be taken by the World Bank and IFC to ensure that the findings are adequately addressed in fairness to the thousands of children, parents and teachers who are daily affected by these violations.

Background

Bridge International Academies is a for-profit, multinational commercial chain of low cost private schools running over 500 institutions in Kenya, Uganda, Nigeria, Liberia and India. The company's operations have raised concerns over the threat they pose to the right to education. The IFCs total equity investment in Bridge International Academies as of June 2019 is US \$13.5 million.

CONTACTS

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DOCUMENTS

- · CAO Compliance Appraisal Report: <u>http://bit.ly/2Wc7qTu</u>
- · CAO Assessment Report: <u>https://bit.ly/2Vh9LLF</u>
- · CAO Complaint Eligibility Acceptance Letter <u>https://bit.ly/2LpXLmB</u>
- · CAO Complaint <u>https://bit.ly/2JQNTBI</u>
- Blog: "Using international accountability mechanisms: A test case for private education in Kenya" <u>https://bit.ly/2KtcCeu</u>
- · Open Letter to investors of Bridge International Academies <u>https://bit.ly/2F31ClU</u>
- Report on Bridge International Academies in Kenya: <u>http://bit.ly/2h1Rml9</u> and human rights analysis <u>http://bit.ly/2tm7JLs</u>
- More information on Bridge International Academies: <u>https://bit.ly/2WI0QDb</u>