

The Inspection Panel

Report and Recommendation
on
Request for Inspection

**Nigeria: Lagos Drainage and Sanitation Project
(Credit No. 2517-UNI)**

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Annex 1: Request for Inspection

Annex 2: Bank Management Response to Request

1. Introduction

1. On June 16, 1998, the Social and Economic Rights Action Center (SERAC) filed a Request for Inspection (the Request)¹ on behalf of the Center and that of individuals, families, and community development associations in Lagos (the Requesters) who claim that they have been directly affected and harmed by the IDA-financed Lagos Drainage and Sanitation Project (Credit No. 2517-UN1). The Panel received the Request on June 18, 1998.

2. On June 26, 1998, the Panel notified the Executive Directors and the President of the International Development Association (IDA) of the receipt of the Request (meaning Registration under the Panel's Operating Procedures²).

3. In its brief, the Requesters state that the IDA-financed project in the slum communities in Ijora Badia and Ijora Oloye has resulted in forced eviction of some 2,000 persons who have lost their homes and businesses, while thousands of others face an imminent threat of eviction. The Requesters further allege that the Bank has done harm to the affected people because of its failure to follow its own policies and procedures applicable to this Project, and make reference to a series alleged violations of IDA's Operational Directives, Operational Policies, and Articles of Agreement.

4. On July 30, 1998, the Panel received IDA Management's Response (the Response) to the Request (Annex 2 to this Report). In short, Management claims that it has complied with all relevant policies and procedures in the design and implementation of the project.

2. The Project

5. The principal objective of the Project is to improve the storm-water drainage system in parts of Lagos which suffer from regular inundation from heavy rains. The Project will also support initial attempts in the upgrading of other urban services such as improvement of solid waste management and waste-water disposal.

6. The major investment costs of the Project have been directed towards the improvement of storm-water drainage facilities for Lagos mainland, Lagos Island and Apapa, and a maintenance program for the existing drains. There are five components to the program, of which two that concern this Request for Inspection: (a) the upgrading, realigning and the lining of the highest priority outfall drains in Apapa, the Port and Industrial areas of Lagos; and (b) the rehabilitation (re-dredging and lining in parts) of the main Surelere Channel (system 5) which accepts flows from a large part of south-west and central Lagos mainland including drains recently constructed under another project. The Surelere Channel is a natural Channel that is silted up, contains much refuse and

¹ Annex 1 to this Report.

² see The Inspection Panel, *Operating Procedures* (August 1994) at paragraph 17.

building rubble and is overgrown. It has not been dredged or cleared in over a decade. As such its restricted sections have reduced the effectiveness of upstream drainage and has led to major flooding following the heavy rains.

Project Benefits

7. As stated in the project documents, the major benefits of the project will be the reduction of flooding of dwellings, businesses, and transport corridors, reduced deterioration of roads, elimination of unsightly accumulation of garbage in drains, and the reduction in health hazards due to the flooding by sewage. It is estimated that approximately 1.3 million people (many of them very poor), live in the catchment areas under consideration, including over 225,000 people who reside in the areas that are subject to flooding. In addition, more people are affected by disruption to travel and to commerce in the city during the rainy season. Furthermore, it is estimated that some 1.4 million peoples' movements are disrupted daily during the periods of flooding.

Environmental Impact

8. The project, as designed, is not expected to have adverse impact on the environment. On the contrary, it is expected to improve the well-being, health and sanitary conditions in the project area. The major temporary impacts relate to disruptions caused by project construction which should be kept to a minimum by appropriate requirements in the construction specifications.

9. According to the Staff Appraisal Report (No. 11307-UNI) dated May 10, 1993 (SAR), agreement was reached during credit negotiations to incorporate appropriate clauses in the legal documents to ensure that the removal of a number of structures, which would intrude into the drainage right of way, were properly compensated for. A resettlement plan was prepared. At the time of the signing of the Development Credit Agreement there were about 405 residents living in 32 structures in the Apapa Drainage area but apparently only one had a certificate of occupancy. There were sixteen temporary wooden shelters housing about 183 residents who had to be removed. At the Apapa Drainage one section of the channel needed a realignment from the original design to avoid removal of two further structures.

10. According to Management, for the Surelere Channel, one permanent residence housing twelve people and fifteen temporary shelters housing about 210 people and traders had to be moved. In the case of the Mainland Drains the detailed alignment of the drains was done so as to avoid any need for the relocation of people and buildings. For the Lagos Island Drainage, no resettlement or removal of buildings was necessary.

Compensation and Resettlement

11. Lagos State Government normally pays dwellers of those properties having certificate of occupancy or compensation based on market prices (estimated to be five years rental value), and pays residents assistance with relocation based on at least two months' income. Those without a certificate of occupancy can be paid compensation in a similar manner but usually on an ad hoc basis.

12. The resettlement plan required by IDA indicates that compensation and assistance will be paid to all affected people, and that areas available for resettlement are of higher quality than presently occupied, because they are located clear of natural drainage channels. It was also indicated that social or economic support is unlikely to be necessary since the relocation will not affect the population's proximity to its largely informal sources of income. An agreement was reached at negotiations that Lagos State Government was to employ a consultant familiar with local conditions to provide the analysis of the rights and procedures for all residents to seek compensation and prepare a detailed implementation plan, satisfactory to the Association, to facilitate the resettlement, and monitor the socio-economic conditions of the affected people before, during and after relocation, including involvement of the people and relevant local organizations in this process.

13. An agreement was reached that the Lagos State Government would compensate and assist owners and residents with relocation so as to improve or restore their living standards, and that relocation actions should take place according to an agreed schedule, including notification of occupants at least six months prior to the required date for removal, valuation at least three months prior to removal, and payment at least one month prior to the need for removal. Furthermore, it was agreed that there will be no relocation until compensation in accordance with the resettlement plan has been paid. Disbursement of funds for Apapa Drainage and the Surelere Channel are conditional on the Consultant having been employed, an implementation plan satisfactory to the Association having been prepared and satisfactory progress having been achieved with its implementation.

14. In addition, designs for Apapa Drains would be realigned, and final design of Mainland and Surelere Drains would be carried out so as to minimize the need for relocation. According to the SAR, during project implementation the process of relocation is to be closely monitored by IDA staff to ensure compliance with the plan.

3. The Credit

15. On June 17, 1993, IDA's Executive Directors approved a credit of SDR 44.5 million (US\$ 63 million equivalent) to the Federal Republic of Nigeria (the Borrower) to assist in this financing of the Project. On July 30 of that year, IDA entered into a Development Credit Agreement with the Borrower and a Project Agreement with the State of Lagos that set forth the terms and conditions under which the credit was granted. Both agreements were declared effective by IDA on April 21, 1994.

4. The Basis of This Report

16. This report is based on the Request, the Response, and additional information provided by the Requesters and IDA Management.

17. In addition, the Panel considered the information obtained by Edward S. Ayensu ("Inspector") during his site visits in Lagos (September 9–13, 16 and October 15-17, 1998) as well as discussions held with the Requesters and IDA officials, on joint site visits to the affected communities, and with two IDA consultants, the Lagos State Government officials, consultants for the valuation of properties compensation and resettlement plan, the construction engineers, the Lagos Local (Municipal) Government officials and independent Nigerians familiar with the project. Prior to the Inspector's visit to Lagos, he consulted with the Executive Director representing the Government of Nigeria.

18. The main purpose of the Inspector's visits to Lagos was to seek accurate information to enable the Panel to determine the eligibility of the Request for Inspection. Due to serious discrepancies between the Requesters and IDA staff during the first joint visit to the communities in question, the Inspector undertook more than one site visit to the same communities to seek explanations and clarifications directly from the affected people, and to obtain accurate accounts of precisely what took place during the alleged evictions, victimizations, and brutality towards the affected people.

19. During the first site visit the Inspector was accompanied by both the Requesters and IDA staff. On the second site visit, the Inspector was accompanied by officials of the Lagos State Government, the construction engineers and IDA staff. On that same day the Inspector visited the offices of the Requesters to seek clarification on certain allegations that the Lagos State Government had leveled against SERAC. The third site visit was conducted by the Inspector in the company of the Sole Administrator of the Lagos Local Government to establish which organization actually carried out the alleged forcible evictions and the demolitions of dwellings in Ijora Oloye and Ijora Badia communities, which is the main reason why SERAC filed the Request for Inspection. The last visit took place on October 14-17, 1998, and the Inspector visited Ijora Oloye with the project's Task Manager.

5. The Request for Inspection

20. The Request claims that IDA has neglected to follow its policies and procedures in the financing of the Lagos Drainage and Sanitation Project in the Ijora Badia and Ijora Oloye communities because of the following:

- (a) "..... over 2000 persons have been forcibly evicted from their homes and businesses while thousands of others face an imminent threat of eviction. The evictions were carried out by officials of the Lagos State Ministry of Environment

and Physical Planning, the Lagos Urban Renewal Board and heavily armed police and other security forces who harassed and beat residents who tried to salvage their personal properties from their homes as bull-dozers reduced their dwellings to mere rubble."

- (b) "During the demolitions, project officials extorted huge sums of money from desperate residents based on promises to save their homes and properties from destruction."
- (c) "In July 1996, the Lagos State Government announced plans to demolish fifteen slum communities in Lagos thereby rendering approximately 1.2 million people homeless under the above-referenced World Bank-assisted project."
- (d) "In flagrant violation of the Bank's Operational Directives, the Constitution of the Federal Republic of Nigeria, the International Covenant on Economic, Social and Cultural Rights (ICESCR) and other relevant international human rights instruments, the World Bank and its partner the Federal Military Government of Nigeria (and the beneficiary Lagos State Government) neglected, failed or refused to consult with the host communities during the development, planning and implementation of the project." and
- (e) "The residents of the host communities were not provided adequate notice prior to the commencement of the demolitions. At the time of filing this Request the victims have neither been resettled nor compensated for their losses."

Alleged Policy Violations

21. The Requesters claim that the IDA has done harm to the affected people because of its failure to follow its own policies and procedures relevant to the Project by specifically referring to the following:

- (a) Operational Directive (OD) 4.30 on Involuntary Resettlement (June 1990) that requires participation of host communities during project planning and implementation states;
- (b) Operational Directive (OD) 4.15 on Poverty Reduction (December 1991) providing for active involvement of beneficiaries beginning from the early stages of a poverty reduction project;
- (c) Operational Directive (OD) 4.20 on Gender Dimensions of Development (April 1994) that aims to reduce gender disparities and enhance women's participation in the economic development of their countries by requiring that gender considerations be integrated into assistance programs;

- (d) Operational Directive (OD) 10.70 on Project Monitoring and Evaluation (September 1989) that provides for continuous assessment of project implementation in relation to project beneficiaries for the permanent improvement of overall management practice within borrower agencies;
- (e) Operational Policy/Bank Procedure (OP/BP) 10.04 on Economic Evaluation of Investment Operations (April 1994) that specifies that projects should integrate financial, institutional, technical, sociological, and environmental considerations;
- (f) Articles of Agreement of the International Development Association, Article V, Section 1(g) that conditions project financing; and
- (g) The provisions of the Lagos Drainage and Sanitation Project Credit Agreement (Credit Number 2517-UNI) that define the project's purpose to improve health standards and living conditions in areas of Lagos subject to regular flooding.

22. The Requesters believe that the IDA, the Federal Government of Nigeria and the Lagos State Government neglected, failed, and refused to consult with the affected communities during the development, planning and implementation of the project. Moreover, the residents were not provided with adequate notice prior to the commencement of demolitions, and the victims have neither been resettled nor compensated for their losses.

6. The IDA Management's Response

23. Management has refuted all the allegations by the Requester and responded as follows:

- (a) There is no evidence to indicate that over 2000 persons have been forcibly evicted by heavily armed police from their homes and businesses in Ijora Oloye and Ijora Badia under the Project.
- (b) In response to the claim that in July 1996 the Lagos State Government announced plans for 15 slum communities in Lagos to be demolished under the project, thereby rendering 1.2 million people homeless, IDA confirmed that such an announcement was reported in newspapers. However, the Ministry of Environment and Physical Planning refuted the claim on radio and television soon after the publication in newspapers. The Inspector received assurances from IDA staff and project authorities that demolition of these communities was not part of the Project, has not been carried out under the Project, and there were no plans for it to be carried out under the Project.
- (c) IDA has complied with the OD 4.30 on Involuntary Resettlement for those people needing to be relocated as a result of the Project.

- (d) On the question of OD 4.15 covering Poverty Reduction, IDA has as one of its main objectives to improve the drainage and thereby public health in Lagos. This is consistent with the World Bank Group's strategy on poverty reduction and on human development in Nigeria. Management noted that while the Project is part of a total effort at poverty reduction, it does not have specific interventions on poverty reduction. Furthermore, the poor who live in the low lying areas near major drains, will benefit from the Project. Where they have been affected by the Project (i.e. the 286 people resettled at the Arakan district) the application of OD 4.30 has been fully respected.
- (e) IDA has complied with its OD 4.20 and the Credit Agreement during the implementation of the Project. All persons affected by the Project were treated equally. Everyone needing resettlement or compensation as a result of Project activity received it without regard to gender, and also without regard to whether or not they had a certificate of occupancy.
- (f) With respect to OD 10.70 on Project Monitoring and Evaluation, the Response is that activities under the Project have been regularly monitored in the field. And as agreed during Credit negotiations, the Borrower's project management team has the primary responsibility for monitoring project execution and activities, and its representatives are on site most days. They regularly meet with the community leaders and help to resolve difficulties between the community and contractors. Where short-comings have been identified, actions have been agreed to correct them.
- (g) Proper economic analysis of the project was completed at appraisal in conformity with OD 10.04 on Economic Evaluation of Investment Operations. The response noted further that a review by the IDA's Transportation, Water and Urban Development Department of the quality of economic analysis of a cohort of projects appraised around the same time as this Project made special mention of it as a good example.
- (h) In accordance with the articles of Agreement Article V, Section 1(9), the proceeds of the Credit have been used for purposes of the project as evidenced by supervision reports and certified by the audits of the project accounts. Similarly, there has been compliance with the provisions of the Credit Agreement 2517-UNI.
- (i) The allegation that IDA did not follow its own policies and procedures by not consulting with the host communities during the Project's planning and implementation phases or where consultation was held there was not sufficient follow-up, has also been dismissed by Management. The Response states that members of the communities were consulted during the planning of the resettlement exercise and during the urban upgrading study and pilot project design. There has also been and continues to be regular consultation between community members and Ministry of Environment and Physical Planning

representatives who are on site most days during implementation. IDA staff and consultants regularly talk to community members during missions.

- (j) Management considers as untrue the allegation that the alleged victims suffer and continue to suffer destruction of their homes, livelihoods, communities and culture under the said IDA financed Project.
- (k) Management refutes the allegation that the residents who have attempted to build their makeshift homes in the neighborhoods around the Project sites have been constantly terrorized by armed security guards.
- (l) According to the Response, there is no evidence whatsoever that the communities' stable access to utilities had been disrupted as a result of the Project.
- (m) On the claim that stagnant waste water has accumulated in the open channels which were constructed under the Project, Management pointed out that the Project area includes low lying swampy grounds which flood regularly when it rains. Stagnant pools have always existed at various locations along the natural channels prior to the Project. One of the primary objectives of the Project is to improve the situation by constructing effective drainage channels. It is obvious that the natural flow of the water cannot be stopped during the construction activities, and as part of the water management activities carried out by the contractors during the construction, it is typically backed up in some sections and pre-empted or otherwise diverted to active drains. Where the drains have been completed, water is flowing freely. For the drains to continue to function as designed, regular maintenance will be required, including regular solid waste disposal service, and community awareness programs to encourage communities not to use drains as garbage receptacles.
- (n) In response to the claim that rather than the channels serving to deflood the communities, they have become a receptacle for waste water which overflows regularly into living spaces and endangers the lives of residents, Management contends that the natural channels—which predate the Project—are the primary receptacles for waste water in Lagos. Where the engineered drains have been completed, the evidence is that overflow into living spaces, that was prevalent before the Project, has been eliminated.
- (o) Management refutes the allegation that many of the evictees have become squatters or live in distant places far removed from their employment. All the 286 people who were displaced under the Project were settled or compensated in accordance with IDA policies. They were settled within 300 meters of their original dwellings.
- (p) Management refutes the allegation that under this Project, women, children, and the disabled have suffered untold hardship under the Project. Furthermore, IDA

has provided for relief measures needed to mitigate the hardship or suffering of the 286 people by assisting their resettlement properly and compensating them in accordance with IDA policies.

- (q) The actions and omissions described in the Request did not result from the Project funded by the World Bank Group. Where actions were required under the Project, IDA's policies were complied with.
- (r) With respect to SERAC's allegations that IDA's responses to their complaints have been unsatisfactory, Management asserts that it has gone out of its way to respond to SERAC's communications, including visiting its offices and facilitating communication between SERAC and the proper Lagos State authorities. IDA's responses have been factual, whether verbal or written. SERAC, in its further communications to others has misrepresented IDA, to an extent which suggested an unwillingness of SERAC to accept the facts about the Project provided to them by IDA.
- (s) The IDA financed Project has not violated anybody's rights. Furthermore, IDA has no authority to discipline officials of the Local and State Governments for any alleged violations of the local population's rights especially outside this Project.
- (t) According to Management, no evictions were carried out under the Project without proper resettlement or compensation. There is currently no new ground to be broken under the Project, which closes in March 1999. Hence, identification of additional affected people and buildings is unlikely.
- (u) On the issue of uncompleted or alleged abandoned components of the Project, Management has stated that no part of the Project had been abandoned. Some parts are incomplete, and some work is proceeding more slowly than originally planned because of the difficult site conditions. In the specific case of Ijora Badia, the contractor elected to change from construction in a downstream direction to construction in the upstream direction to improve his access conditions. This is not an unusual procedure for civil engineering works under difficult conditions such as have occurred under this Project. This resulted in the work appearing at one point to have been abandoned, whereas, in fact, the contractor is working towards completion of the work from the opposite end of the drain. IDA acknowledges that the environmental conditions surrounding the drains are unpleasant, either before or during construction, as many of the areas have been used as waste dumps for years. The stagnant water will disappear, and the overflow will be eliminated as it has been demonstrated in areas where project works have been completed.
- (v) IDA missions visited the Project sites and communities during project planning and implementation. IDA staff have regularly visited the project including site visits to those areas where work is ongoing, including meetings with community members. However, IDA does not have the resources to observe every activity

that happens, and therefore relies on project units and their consultants for detailed monitoring. IDA believes that this has been satisfactory and sufficient, and that the complaints that IDA expressed a vote of confidence in the Project without visiting the host communities are untrue.

- (w) SERAC complained that meetings held with them occurred with few hours notice and often after one day before IDA officials were scheduled to depart from Nigeria. In response, IDA noted that they and their consultants have met with SERAC on at least five occasions. IDA's reply of July 15, 1997 to SERAC's first letter to Mr. James Wolfensohn offered to meet with them in Lagos during IDA's planned mission in September 1997. Unfortunately, Management did not hear SERAC's acceptance of this offer until the last day of the Bank's mission, at which time the Team Leader, after failing to make telephone contact; visited SERAC's Executive Director in his office in Lagos. The Executive Director subsequently visited IDA's Country Director in Washington in November 1997. In February 1998, a mission, en route from Abuja to Washington, managed to arrange a meeting with SERAC. The meeting did not take place because SERAC did not show up as arranged. In March this year, an IDA consultant met for several hours with SERAC's Executive Director, and she (the consultant) felt that the Executive Director was happy with the information he had received of what was being undertaken under the Project. The consultant and SERAC were however unable to visit the site as fuel was not available in Lagos at the time. In May this year, IDA's other consultant visited SERAC's office and two days later, as SERAC requested, visited Ijora Badia and Ijora Oloye with SERAC to interview preselected community members. This and the subsequent visit in July revealed that the structures that SERAC claimed to have been demolished were in fact demolished after the Project drain was constructed. SERAC's telephone calls to IDA's Country Director in Washington, D.C., made between May 29 and June 8, 1998 were returned on June 5, 1998 by his office because he was departing on mission to Nigeria.
- (x) Management states that the claims that the community leaders complained of violation of their human rights under the Project because they did not receive prior notice of the visit of SERAC and IDA's consultant on May 29, 1998 is untrue. IDA visited the community members without notice in July and received no complaint of the violation of human rights. But a single complaint about access having been cut appeared to have been fully resolved.
- (y) Finally, the claim that there has (as of June 16, 1998) been no feedback to SERAC of the results of the consultant's mission which concluded June 5, 1998, has been explained by IDA that the consultant's report was submitted to the IDA's Abuja office on June 25th 1998; that is after SERAC had submitted the Request for Inspection.

7. Eligibility of the Request

24. Based on the written evidence provided by SERAC and interviews conducted by the Inspector, with people in the project area who feel affected by the design and execution of the project, the Panel finds that the Requesters are eligible to file a Request in accordance with the Resolution's establishing the Panel (IBRD No. 93-10 and IDA 93-6). On the determination of the eligibility of the substance of the Request, the Panel had to examine in detail the assertions made by the Requesters and IDA's Management Response as stated above. In addition, the Panel took into consideration its review of project files and the substance of the correspondence and meetings between the Requesters and Management and of the interviews conducted by the Inspector with affected people and IDA consultants (September 9-16 and October 14-17, 1998). Discussions were also held before, during, and after the site visits with both SERAC and IDA officials, as well as with the Lagos State Government officials and the construction engineers. Discussions were held with the Sole Administrator of the Lagos Local Government and finally with a number of private Lagos residents who live and/or are very familiar with the sites in question and are also knowledgeable about the local politics.

25. Based on the foregoing, the Panel has concluded that according to the Resolution, the Request for Inspection is not excluded from the Panel's competence and that it meets *prima facie* the eligibility criteria set forth in paragraphs 12 and 13.

8. Panel's Assessment and Evaluation of the Claims in the Request for Inspection

26. The Panel's examination of the Requesters claims that IDA neglected to follow its own policies and procedures in the financing of the Lagos Drainage and Sanitation Project included numerous direct interviews with members of the community in Ijora Oloye and Ijora Badia, suggest that some allegations in the Request may be exaggerated and, in some cases, untrue.

27. The residents at Ijora Oloye informed the Inspector on his third visit (which turned into a community meeting) that they were not evicted by any heavily armed police and/or other security forces who harassed or beat them when they tried to collect their belongings. The DTV Contractors did, however, remove two front rooms each of the 8 block houses, 12 shanty dwellings and two shops. The community members did emphasize that although they were not happy with the actions of the DTV contractors, they decided to allow them to go ahead with the construction of the drains because they could envision enormous community benefits from them. What they now requested was compensation for the properties that were demolished to make way for the drains. A similar response was given to the Inspector during his second visit to Ijora Badia.

28. In addition, the residents of the communities did confirm that no officials of IDA or the Project had extorted huge sums of money from them. In any case, the Inspector could not get anyone to admit that Project Officials have collected money from them.

29. A Lagos State Government Representative has vehemently objected to the press report of July 1996, that they have plans to demolish 15 slum communities in Lagos under this project which is likely to render approximately 1.2 million people homeless. The Lagos State Government has challenged SERAC to produce evidence about the plans for the 15 slum communities in question and how SERAC arrived at its figures. To the best of our knowledge, SERAC to date has not been able to produce such evidence. SERAC reported to the Inspector that they had made several attempts to present their evidence and that they have not been able to obtain audience with the State Government. The Inspector requested copies of the evidence in question from SERAC, but was unable to receive any during his visit to the SERAC offices. Furthermore, no such evidence had been sent by SERAC to the Panel's office in Washington, in spite of the fact that it was agreed that it would do so.

30. The Panel examined the issue of uncompleted or alleged abandonment of components of the Project and arrived at the following conclusions:

- (a) Indeed some of the construction work was proceeding slower than was originally planned. This situation has been blamed on the very difficult terrain at the work sites.
- (b) In the case of the uncompleted works in Ijora Badia, the contractors decided to stop its operations in the downstream direction. This they say must have been perceived by the Requesters as an abandonment of the works. The Panel Inspector was taken to the upstream direction where construction was proceeding under extremely difficult conditions. The civil engineers did convince the Inspector of their decision to approach the work in a manner that will ultimately result in the successful completion of the works.

31. On the question of human rights violations in connection with this particular Project, the Panel did not find any prima facie evidence that IDA did neglect, fail, or refuse to consult with the host communities during the development planning and implementation of the Project, thus, Management does not appear to have violated applicable IDA Operational Directives. The Panel, however, believes that IDA overly relied on the Lagos State Officials to do most of the consulting with the communities.

32. Evidence gathered by the Panel suggests that SERAC seems to be justified in claiming that some residents of Ijora Oloye were neither provided with adequate notice prior to the commencement of the demolition of parts of the block houses and the shanty dwellings to make way for the construction of the drainage nor were they provided with any compensation for their losses. In the case of Ijora Badia, however, the people seem to have been adequately consulted and compensated.

33. The Lagos State Government informed the Inspector that the communities were provided with enough notice, but they just refused to move, hence the decision taken by the DTV contractors to demolish sections of the housing which were close to the drainage sites in order for them to meet their completion deadlines.

9. Specific Allegations

34. The Panel examined the specific allegations against IDA especially with respect to its Operational Directives 4.30 on Involuntary Resettlement; OD 4.15 on Poverty Reduction; OD 4.20 on Gender Dimensions of Development; OD 10.70 on Project Monitoring and Evaluation; Operational Policy/Bank Procedure 10.04 on Economic Evaluation of Investment Operations; Articles of Agreement of IDA, Article V Section 1(g) that conditions project financing; and finally the Lagos Drainage and Sanitation Credit Agreement (Credit Number 2517-UNI) that identifies the project's purpose to impose health standards and living conditions in areas of Lagos subject to regular flooding.

10. Panel's Evaluation of the Substance of the Request for Inspection

35. The Panel is satisfied that, notwithstanding the fact that the original composite maps did not indicate the presence of any settlements in the path of the drainage areas in the Ijora Badia community, and the fact that literally all the people had no title or permits to build in the community, the Project contemplated resettlement or compensation arrangements, before the commencement of the construction works, for the 8 identified structures in Ijora Badia (one 3 rooms of boys quarters plus bathroom, one generator shed and paved courtyard, 3 plank sheds and 3 plank sheds with paved floor) which the Hussplan Consult indicated in the Final Draft Report on Detailed Valuation of Properties and Computation of Compensation and Resettlement Plan for People Affected by the World Bank Assisted Lagos Drainage Works (January 1995).

36. The evidence gathered by the Panel suggests that, unlike the situation with the Arakan Barracks resettlement program, in which Management fully followed IDA's Operational Directives, a similar attempt was not made to compensate or resettle some affected people in the Ijora Oloye community. It must be pointed out, however, that from the composite aerial maps there seem to have been no dwellings in the drainage site area at the time of the signing of the Credit Agreement.

37. IDA should have considered similar resettlement or compensation arrangements for 32 shanty rooms and 10 block rooms that belong to 18 owners in the Ijora Oloye community. These dwellings were identified by the Inspector during his site visit and

both IDA and project officials have formally agreed that compensation will be provided to its owners in accordance with IDA policies.

38. And, as the Requester pointed out to the Inspector in the SERAC offices on the afternoon of Sept. 13, 1998, SERAC will be satisfied if the affected people in Ijora Oloye are compensated for the demolition of their properties. The Panel believes that such compensation, albeit late, would be consistent with IDA policies. After the Inspector's last visit to the project area with the Task Manager and officials of the Lagos State Government, the Panel has been assured of the amicable settlement of the issue.

39. The Panel, however, did not find evidence that those who have attempted to build their homes in the vicinities within the affected areas are being constantly terrorised by armed security guards since new buildings were coming up during the inspection of the sites.

40. The Panel is satisfied that the project's proposed improvement to the drainage systems in Lagos is consistent with the IDA's strategy of poverty reduction and human development in Nigeria. It did not find evidence of discrimination against women and children in all the areas affected by the Project.

41. On the issue of Project Monitoring and Evaluation, the Panel believes that a much closer supervision by IDA should have been provided, notwithstanding the fact that during the Credit negotiations, the primary responsibility for monitoring the project execution was assigned to responsible officials of the Lagos State Government, since they were poised to meet regularly with the community leaders and help resolve difficulties between the community and the contractors. Management, however, did drive home the fact that they did not have the financial resources to observe every activity related to project execution as part of its normal supervision.

42. The Panel is of the opinion that while most of the Operational policies and particularly the OD 10.04 on Economic Evaluation of Investment Operations seem to have been followed during the preparation of the Project, the sociological considerations did not appear fully integrated into the project design. The two project consultants interviewed by the Inspector did express their concerns about the lack of appropriate measures which should have been introduced in the project design to ensure the effective maintenance of the drainage channels constructed under the Project. The Panel concurs with this view.

43. The Panel is of the opinion that the Lagos Drainage and Sanitation Project will improve the health standards and the living conditions of the affected communities in the Ijora Badia and Ijora Oloye and of the project areas, which is in accordance with IDA's policies and procedures.

44. A typical example of the socio-cultural dimension of the Lagos development process, however, is the refusal of the people who have been provided with built-in flush toilets to use such hygienic facilities instead of using the banks of the drainage channels

and any empty space they see. The Panel is aware of the enormous measures that would be required to enlighten the entire slum communities in Lagos to practice hygienic disposal of human waste and other refuse. This, the Panel believes, is outside the scope of this particular Project.

45. Finally, the Panel wishes to acknowledge the concerns and the efforts of SERAC for exhibiting such courage in defending the rights of the affected people during the past regime in Nigeria. The Panel further believes that its presence in the equation has made it possible for the Requesters to develop better dialogue with IDA staff in the resolution of outstanding issues.

11. Recommendation

46. After careful examination of the Request for Inspection, the Response and the Inspector's onsite examination of the facts and other findings, and the assurances received by the Inspector that the remaining affected project area people will be compensated in accordance with IDA policies, the Panel does not recommend an investigation in response to the Request for Inspection.

ANNEX 1

Request for Inspection

REQUEST FOR INSPECTION

In the Matter of the Lagos Drainage and Sanitation Project (Credit No. 2517-0)

To: THE INSPECTION PANEL, 1818 H Street, N.W., Washington, DC, 20433 USA

We, the Social and Economic Right Action Center (SERAC), a Lagos-based non governmental, nonpartisan and voluntary initiative concerned with the promotion and protection of social and economic rights in Nigeria, for ourselves and on behalf of individuals, families, and community development associations directly affected by the Lagos Drainage and Sanitation Project, claim the following:

1. The International Development Agency of the World Bank is financing the Lagos Drainage and Sanitation Project (hereinafter “the project”) in Ijora Badiya and Ijora Oloye, both slum communities in Lagos. Under this project, over 2000 persons have been forcibly evicted from their homes and businesses while thousands of others face an imminent threat of eviction. The evictions were carried out by officials of the Lagos State Ministry of Environment and Physical Planning, the Lagos Urban Renewal Board and heavily armed police and other security forces who harassed and beat residents who tried to salvage their personal properties from their homes as bulldozers reduced their dwellings to mere rubbles. During the demolitions, project officials extorted huge sums of money from desperate residents based on promises to save their homes and properties from destruction. In July 1996, the Lagos State Government announced plans to demolish fifteen slum communities in Lagos thereby rendering approximately 1.2 million people homeless under the above referenced World Bank assisted project. In flagrant violation of The Bank’s Operational Directive, the Constitution of the Federal Republic of Nigeria, the International Covenant on Economic, Social and Cultural Rights (ICESCR) and other relevant international human rights instruments, the World Bank and its partner the federal Military Government of Nigeria (and the beneficiary Lagos State Government) neglected, failed or refused to consult with the host communities during the development, planning and implementation of the project. The residents of the host communities were not provided adequate notice prior to the commencement of the demolitions. At the time of filing this Request, the victims have neither been resettled nor compensated for their losses.

2. We understand that the Bank has the following policies and procedures which are apt and relevant to a consideration of the present Request:

Operational Directive (OD) 4.30 on Involuntary Resettlement (June 1990) that requires participation of host communities during project planning and implementation stages;

OD 4.15 on Poverty Reduction (December 199 1) providing for active involvement of beneficiaries beginning from the early stages of a poverty reduction project;

OD 4.20 on Gender Dimensions of Development (April 1994) that aims to reduce gender disparities and enhance women's participation in the economic development of their countries by requiring that gender considerations be integrated into assistance programs;

OD 10.70 on Project Monitoring and Evaluation (September 1989) that provides for continuous assessment of project implementation in relation to project beneficiaries for the permanent improvement of overall management practice within borrower agencies;

Operational Policy/Bank Procedure 10.04 on Economic Evaluation of Investment Operations (April 1994) that specifies that projects should integrate financial, institutional, technical, sociological, and environmental considerations;

Articles of Agreement of the International Development Association, Article V, Section I(g) that conditions project financing; and

Lagos Drainage and Sanitation Credit Agreement, Credit Number 2517-0, that identifies the project's purpose to improve health standards and living conditions in areas of Lagos subject to regular flooding.

3. Our interests have been, and continue to be, directly and adversely affected by the failure of the Bank to comply with its policies, procedures, and the credit agreement during the implementation of the project. The demolition of the homes and destruction of properties of the residents of the host communities without compensation, resettlement or rehabilitation constitutes a massive violation of the rights of the victims to adequate housing, education, adequate standards of living, security of the person, a healthy environment, food, health, work, respect of dignity inherent in a human being, freedom of movement, family life, water, privacy, information and the right to choose one's own residence. SERAC is concerned with the promotion and protection of social and economic rights in Nigeria. Further, SERAC is mandated to broaden the access of individuals and communities to information and to strengthen their participation in the design and implementation of social and economic policies and programs which affect them.
4. The Bank has violated its policies, procedures, and the credit agreement because the host communities were not consulted during the project's planning and implementation stages. Where brief discussions were held, the consultation was nullified by insufficient follow-up efforts to ensure that the community development associations and the families affected understood their rights and roles as stakeholders in the project. Further, the host communities have not been able to effectively express their opposition during the implementation phase of the project due to the brutal activities of heavily armed security forces during the demolitions and their continuing well-founded fears of official reprisals. The victims of the demolitions have neither been resettled, rehabilitated, nor compensated for their losses.

5. We believe our interests and the stakeholders' rights have been, are being and will likely continue to be, materially and adversely affected as a direct result of the Bank's non-compliance with its Operational Directives. The victims ' have suffered and continue to suffer destruction of their homes, livelihoods, communities and culture. Residents who have attempted to build makeshift homes in neighborhoods around the project site have been constantly terrorized by armed security agents. Contrary to the project's objective to uplift the living standards of the slum communities, it has, in fact, exacerbated those conditions. The local communities' stable access to utilities have been disrupted as a result of the project. Stagnant waste water accumulated in the open drainage channels which were constructed under the project has become a potent source of danger to the health and well-being of the local population. Rather than de-flood the communities, the channels have become a receptacle for waste water which overflows regularly into living spaces and endangers the lives of residents. Many of the evictees have been forced to become squatters or live in distant places far removed from their employment thereby further impoverishing an already poor and vulnerable population. Further, women, children, and the disabled have suffered untold hardships under the project. No relief measures have been applied to mitigate the suffering of these members of the population as mandated by the Bank's policies.
6. We believe the actions and omissions described in the present Request are the responsibilities of the Bank because they have resulted from a project funded by it. The Bank therefore holds a clear legal obligation to ensure that the project is implemented in accordance with its own Operational Directives as well as applicable domestic and international law. Being a specialized agency of the United Nations, the Bank is bound by the U.N. Charter which recognizes the human rights of every individual.
7. We have complained to the World Bank through its officials and consultants by the following means (in reverse chronological order):

Telephone messages (un-returned by Mr. Ansu as of the date of this filing) for Yaw Ansu, Country Director for Nigeria, World Bank, from Felix Morka, Executive Director, Social and Economic Rights Action Center (SERAC, placed at several points between May 28 and June 8, 1998;

Tour of the host communities by Ministry of Environment and Physical Planning Engineers Dapo Ajadi, M.A. Akinsanya, and Erinle; World Bank Consultants Professor Akeredolu-Ale and J.W.E. Metibaiye; Lagos State Urban Renewal Board Official, Mr. Olowu; and SERAC staff members Joseph Otteh, Director of Programs, and Uzodinma Nwaogbe, Neighborhood Network Coordinator, to Ijora Oloye and Badiya on May 28, 1998;

Meeting between the Dr. Ellen Boitel-Doku, World Bank Consultant; Engineer T.O. Erinle, Lagos State Government; Engineer G.A. Ajadi, Lagos State Government; Felix Morka, Executive Director, SERAC; Joseph Otteh, Director of Programs, SERAC; and Uzodinma Nwaogbe, Neighborhood Network Coordinator, SERAC, dated March 26, 1998;

Meeting between David Henley, Project Task Manager, Lagos Drainage and Sanitation Project, World Bank; Engineer M.A. Akinsanya, Head, Lagos Drainage and Sanitation Project, Ministry of the Environment and Physical Planning, Lagos State Secretariat; Felix Morka, Executive Director, SERAC; Uzodinma Nwaogbe, Neighborhood Network Coordinator, SERAC; Kimberly Futrell, Legal Officer, SERAC; and Rotimi Amurawaiye, Consultant, Forced Evictions Prevention Project, SERAC, during February 1998;

Meetings between David Henley, Project Task Manager, Lagos Drainage and Sanitation Project, World Bank, and Felix Morka, Executive Director, SERAC, on September 19, 1997 in SERAC's Lagos headquarters and between both men and Yaw Ansu, Country Director for Nigeria, at the World Bank headquarters in November 1998;

Letter to Yaw Ansu, Country Director for Nigeria, Africa Region, World Bank, regarding Resettlement Issues Surrounding the Lagos Drainage and Sanitation Project, dated August 14, 1997, from Kimberly A. Futrell, Legal Officer, SERAC;

Telephone call from Kimberly Futrell, Legal Officer, SERAC, to Yaw Ansu, Country Director for Nigeria, World Bank, on September 18, 1997;

Letter to Commissioner Nosirudeen Kekere, Lagos State Ministry of Environment and Physical Planning, regarding Lagos Drainage and Sanitation Project Resettlement of Evicted Persons, dated August 11, 1997, from Felix Morka, Executive Director;

Letter to James D. Wolfensohn, World Bank Group President, regarding World Bank Financing of Forced Evictions in Lagos, dated June 30, 1997;

Telephone message from Felix Morka, Executive Director, SERAC, to Surjit Singh, Acting Country Director for Nigeria, World Bank, on June 2, 1997;

Electronic Mail to Eleanor Warner, World Bank, from Kimberly Futrell, Legal Officer, SERAC, regarding possible projects in Badiya, dated January 15, 1997;

Telephone messages placed by Kimberly Futrell, Legal Officer, SERAC, on January 13 and 14, 1997 to Eleanor Warner, World Bank; and

Telephone calls placed by Kimberly Futrell, Legal Officer, SERAC, on January 8, 1997 to Surjit Singh, Acting Country Director for Nigeria, and World Bank staff members Daniel Pencock and Samuel Onwuona.

8. We believe that the responses to our complaint have been unsatisfactory. The victims of the demolitions have neither been resettled, rehabilitated, nor compensated for their losses. They have not received any remedies for the physical and mental pain inflicted on them by the armed security agencies during the evictions. No official has been questioned or punished for these violations of the local populations' rights. In addition, SERAC and the host communities remain uncertain and apprehensive as to when future evictions are scheduled or when apparently abandoned components of the project (i.e. unlined and open pits that now contain hazardous stagnant water) will be completed. These uncompleted or abandoned components have been linked to deleterious health and environmental conditions within the host communities. Instead of remedying the homelessness, health perils, and environmental devastation caused by the project, the Bank issued News Release 98/1435 AFR expressing a vote of confidence in the project without first visiting the host communities or meeting with community leaders to assess the situation.

Meetings with SERAC were held with less than an average of a few hour's notice to the organization, and often one day before Bank officials were scheduled to depart from Nigeria. More than one year after SERAC's first contact with the Bank regarding this matter, a team of two consultants to the Bank, officials of the Lagos State Government, a resident Bank official and SERAC officials undertook a joint visit to the host communities on May 28, 1998 and met with community leaders. Although they received no prior notice of the visit, the community leaders and many affected families complained of violations of their human rights under the project. There has been no feedback from the Bank to the victims or to SERAC since that visit.

9. We have also contacted other domestic, regional, and international human rights monitoring bodies and members of the media to express our concerns about the project. We respectfully submit that the above actions have materially and adversely affected our interests and the stakeholders' rights and request that the Inspection Panel recommend to the Bank's Executive Directors that an investigation of these matters be expeditiously and comprehensively carried out in order to remedy these violations.

As advised in your Operating Procedures, this Request for Inspection is brief SERAC can provide you with more particulars including documents, audio recordings, and videotapes should you require additional information in support of this Request.

DATE: June 16, 1998

SIGNATURE:

Felix C. Morka, Esq.
Executive Director

CONTACT ADDRESS:

Social and Economic Rights Action Center (SERAC)
16 Awori Crescent Postal
Off Coker Rd./Obokun St. P.O. Box 13616
Ilupeju-Lagos Ikeja-Lagos
NIGERIA NIGERIA
Tel/Fax 231.1.496.8605 serac@linkserve.com.ng

Please send duplicate copies of official documents relating to this request to our United States unit: SERAC; P.O. Box 5711; Takoma Park, MD 20913; Tel. (301)495-5997; Fax (301)495-0339; serac@internetmci.com.

We authorize you to make this Request public.

Filed by Hand Against Confirmation.

ANNEX 2

Management Response

LAGOS DRAINAGE AND SANITATION PROJECT (CR. No. 2517-UNI) RESPONSE TO INSPECTION PANEL REQUEST

INTRODUCTION

1. On June 25, 1998, the Inspection Panel registered a Request for Inspection (the Request) dated June 16, 1998 from an organization called Social and Economic Rights Action Center (SERAC) for themselves and on behalf of individuals, families and community development associations which they claim to have been directly affected by the IDA financed Lagos Drainage and Sanitation Project in Nigeria (Cr. No. 2517-UNI). The Inspection Panel notified the Executive Directors and Bank President about the registration on June 26, 1998. This document constitutes the management response to the issues raised and allegations made in the Request.

DESCRIPTION AND PRESENT STATUS OF THE PROJECT

2. The Project was approved by the Board June 17, 1993 and became effective April 24, 1994. The Project cost was estimated at \$89.1 million, of which SDR 44,500,000 (\$63 million equivalent) was to be financed by IDA, and the remainder by Lagos State Government. Currently about 90% of the Credit is disbursed. The closing date was originally June 30, 1998, and this has been extended to March 31, 1999 to permit completion of a few contracts. The Project was a follow up to the Lagos Solid Waste and Storm Drainage Project (Ln. No. 2620-UNI) which closed September 30, 1993.
3. The Project consists of seven components. The major component (about 83% of the total Project cost) is the construction/regrading/realignment/lining of main storm water drains to reduce flooding in several areas of Lagos. These drains also serve as de facto sewers. Support was also given under this component to maintain existing drains (e.g. clear debris and sediment, repair concrete lining) and improve drain maintenance procedures. Smaller components of the Project, all related to the project objective of improving the functioning of Lagos as an urban center, are: further assistance to the Lagos Waste Management Authority to help improve management of solid waste; preparation for the Lagos Urban Renewal Board (URB) of a plan for urban upgrading and a pilot project to demonstrate the benefits of the proposals made; preparation of plans for wastewater disposal; development of a land information system; improvement in municipal revenue generation procedures; and a training program for Lagos State Government officials. The Project implementing agency is the Lagos State Ministry of Environment and Physical Planning (MEPP).
4. The storm drainage component of the Project included about 50 kilometers of primary and secondary drains, some concrete lined and some dredged earth channel, including bridges and culverts. These are located in Lagos Island (the downtown heart of Lagos), Apapa (including the districts of Ijora, Badia, Oloye, Arakan and Ajegunle), Surulere, Yaba, Mushin, Luth and Oshodi/Ilupeju. Plans showing these areas and drain locations are available upon request.

5. The Project has been rated satisfactory for both implementation and development objectives throughout its lifetime, despite delays in some components, and difficulties experienced by some contractors under demanding civil works construction conditions. Its implementation by the project unit is judged to have been businesslike in difficult circumstances. There were some initial delays in meeting effectiveness conditions (nine months) related to the subsidiary Loan Agreement and establishment of a counterpart fund account and the payment of the initial deposit.

THE ALLEGATIONS

Present Request

6. The allegations by SERAC are that under the Project, 2000 persons have been forcibly evicted from their homes and businesses in two slum communities of Lagos, stated to be in areas known as Ijora Badiya (hereinafter referred to as Ijora Badia or simply Badia) and Ijora Oloye, while thousands of others face an imminent threat of eviction. They claim that evictions were carried out by officials of the Lagos State Ministry of Environment and Physical Planning, the Lagos Urban Renewal Board and heavily armed police and other security forces who harassed and beat residents who tried to salvage their personal property as their homes were destroyed. They claim that during the demolition, Project officials extorted huge sums of money from residents based on promises to save their homes and properties from destruction. SERAC further claims that the Lagos State Government in July 1996 announced plans, under the Project, to demolish fifteen communities in Lagos thereby rendering 1.2 million people homeless.
7. SERAC claims that the Bank, the Government of Nigeria and Lagos State Government neglected, failed or refused to consult with the communities during the development, planning and implementation of the Project, the residents were not provided adequate notice prior to commencement of demolitions, and that the victims have neither been resettled nor compensated for their losses.

Previous Communications with SERAC

8. SERAC has contacted the Bank previously concerning this project, the first formal communication being to Mr. Wolfensohn dated June 30, 1997, to which we replied July 15, 1997. A further letter was sent to us August 18, 1997 and replied September 18 and 22, 1997. Copies of these are at Attachment 1.
9. Bank staff and consultants have met with SERAC on at least five occasions. Our reply of July 15, 1997 to their first letter to Mr. Wolfensohn offered to meet with them in Lagos during our planned next mission in September 1997. Unfortunately we did not hear their acceptance of this offer until the last day of our mission, at which time the Bank's Team Leader, after failing to make telephone contact, visited SERAC's Executive Director in his office in Lagos and explained what is being financed by IDA under the project. The Executive Director subsequently visited the Bank's Country Director in Washington in November 1997 for a meeting that lasted almost two hours. In February this year, a mission

en route from Abuja to Washington managed to arrange for SERAC to meet with it and Lagos Government officials to facilitate communication between them. SERAC did not follow up on that meeting as was agreed. In March this year our consultant met for several hours with SERAC's Executive Director in Lagos and further explained what was included under the project; they were unable to visit the site as fuel was not available in Lagos at the time. In May this year our consultant visited SERAC's office and, two days later, as SERAC requested, visited Ijora Badia and Ijora Oloye with SERAC to interview selected community members.

MANAGEMENT RESPONSE

Purported Announcement Concerning Eviction of 1.2 Million People

10. Our initial communication from SERAC in July 1997 related to an announcement purported to have been made by the Lagos State Commissioner for Environment and Physical Planning, as reported in local newspapers in July 1996, that 15 slum areas in Lagos would be demolished under the Project, and that this would result in the eviction of 1.2 million people, including people from Ijora Badia and Ijora Oloye. This purported announcement is again referred to by SERAC's latest communication. We have never been able to confirm whether or not the Commissioner made this statement, or whether he was mis-reported, as he departed this office a short time after the alleged announcement. The Ministry, MEPP, claims to have refuted the reported statement, on radio and television, shortly after the newspaper report was published. In any case, it is clearly not part of the Project, or as a consequence of activities under the Project, to evict 1.2 million people, and it has not happened despite the fact that the Project is now close to completion; SERAC makes no claim that it has in fact happened. However the Commissioner's statement, whatever it was, could have been related to the project component for the Urban Renewal Board discussed in paragraph 17 below.

Resettlement at Arakan and Badia Areas Under the Project

11. The environmental assessment prepared during project preparation identified that resettlement would be necessary, mostly in the Arakan Barracks and Badia areas within the Project area. Although the resettlement plan was not prepared during appraisal, it was prepared and discussed with the Government before Board presentation. It was therefore included in the Appraisal Report and the cost of resettlement was included in the Project costs. In the final analysis, after adjustment to designs to minimize the amount of resettlement needed, 286 people were identified by name to be resettled. Most of these inhabited makeshift buildings constructed alongside or on stilts above existing drains, and had no certificate of occupancy. Lagos State Government identified a resettlement area within a few hundred meters of their original location, constructed houses and shop facilities, and assisted these people to move. The selection of the resettlement area and the design of the resettlement were done in consultation with the affected people. The site was selected taking into account access to employment. Some (about 40 people), by choice, elected to receive compensation and move elsewhere. Since these people were mainly squatters, compensation was paid for lost assets, in accordance with the property valuation system of the Lagos State Government. Pictures of the settlements before and after are at Attachment 2.

12. The Project Agreement between IDA and the Lagos State Government required that Lagos State Government (LASG) employ a consultant to prepare a detailed implementation plan for their resettlement, adequately compensate all the persons affected by resettlement, and carry out the resettlement of affected persons under a schedule satisfactory to IDA. Consultants were appointed by LASG and the consultant's initial proposal was submitted to the Bank in March 1994. Following Bank comments, documents on property valuations and designs for the resettlement area were submitted in March 1995. Construction proceeded through to December 1996 at which time the new facilities were occupied. The Bank monitored this activity throughout, by means of regular visits by a consultant sociologist (in May 1995 and June and November 1996 - reports at Attachments 3, 4 and 5). The consultant's reports did not identify any significant shortcomings in the activities being undertaken, and indicated that the people's livelihood had been restored, and in many respects improved. The November 1996 report recommended evaluation of the whole resettlement a year later; this was scheduled for November 1997 but had to be postponed at the final moment due to sudden unavailability of our consultant, and rescheduled for March 1998. Conditions in Lagos in March 1998 rendered the review largely ineffective (fuel shortage prevented the mission from visiting the site - Attachment 6) and it was repeated in May 1998 with a different consultant. The mission report (Attachment 7, Part A) identified some lessons learned in the resettlement exercise, but was highly favorable concerning the overall resettlement activity. Interviews revealed that the resettled families are satisfied with their new accommodation and are settling in effectively.
13. Overall, this exercise is believed to have been highly satisfactory and fully in accordance with the Bank's Operational Directive OD 4.30. We are not aware of any complaint related to this resettlement, either by SERAC or any others.

Ijora Oloye

14. During our May 1998 review, an additional group of 25 structures at Ijora Oloye was reported to have been affected by drainage construction. These structures were identified during a mission by our consultant who was accompanied at the time by members of SERAC. These structures, shops or dwellings, generally of temporary construction, had each had a number of rooms demolished, reportedly to make way for an improved drain being constructed under the Project. Further investigations (a subsequent visit by the same consultant with the Bank's Team Leader) have shown that the demolitions at this site in fact **occurred after the construction of the drain**, which was completed by about the end of 1995. The community had recognized an additional potential benefit to themselves of extending the contractor's access road (which had been constructed across unoccupied marsh) alongside the full length of the drain to improve their access. The community had arranged removal of the temporary structures impeding the construction of the extension of this access road, but had had objection from the owner of the single permanent building affected by the road, and had sought the intervention of the Local Government Authority task force to arrange its removal. This road was not part of the Project, came later, was not financed by the Project, and we were not consulted about it. (Refer to Attachment 7, Parts A

and B. Part A reflects the findings of the consultant's first visit, and Part B reflects his findings following more extensive discussions with the community members.)

15. There appears still to be some animosity in the community between factions wanting the road and factions supporting the occupant of the single permanent building. The community's difficulties had been exacerbated by a major fire in April this year which had destroyed a large number of residences, including those affected by the road construction. During the visit to the site in July 1998 by the Bank's Team Leader, our consultant, and others, we heard from the community no blame attached to the Project; but we observed new buildings on sites which had been reclaimed from swamp as a result of the construction of the drains. As regards the SERAC complaint, this situation relating to the 25 structures, though still located in Ijora Oloye, is so different from that described by SERAC (2000 people forcibly evicted at gunpoint, and beaten) as to be clearly a different event. The only critical comment from this community during our July visit was that access across a major drain had been cut. This appeared to have been resolved by them providing their own crossing.

Ijora Badia

16. In Ijora Badia, the second area indicated in SERAC's complaint, during the July 1998 visit we could identify only one building, of temporary construction, which had been relocated by its owner, clear of the proposed drain alignment.

Urban Renewal Board (URB)

17. The URB component of the Project involved a study and a pilot demonstration project based on the results of the study. The study involved the development of a program for urban upgrading in the so called "blighted areas" of Lagos, to provide better access, improved roads, footpaths and tertiary drains, ablution blocks, schools and medical centers, and other community facilities, but all with the over-arching requirement that eviction/demolition/resettlement should be kept to an absolute minimum. The report identified the blighted areas, drew up a multi-year program for implementation of upgrading, noted that, **if implemented, 1.2 million people would benefit**, and designed a pilot demonstration project for the adjudged "most blighted" community. The report was presented a short time before the Commissioner's reported statement. The pilot area chosen was Ijora Badia, which we have described simply as Badia. It covers an area of about 25 hectares, and the works of upgrading are close to completion. No resettlement was identified as necessary in the design of the pilot. The site has been inspected regularly by Bank missions before and during implementation of the pilot project. One building, which was uninhabited at the time, was identified by the community as having to be removed to make way for a community building, however at the time of our last visit, this building had been half demolished and the other half had been upgraded and was inhabited. The planning of this work was undertaken with the full participation and cooperation of the community. Bank staff did not directly participate in the community consultation process, but we satisfied ourselves that it took place, having been shown videos of the community meetings with URB. Bank missions are always warmly greeted by the community leaders who indicate their full support and joy about the project, and complain only that the work is not concluded

yet. We have also been sent letters indicating the value the community places on this work. Implementation has not been without difficulty, however it must be judged as successful, capable of improvement but worthy of replication, rather than something to be complained of. Our most recent visit observed spontaneous independent development activity commencing in the community, most probably related to the improved conditions resulting from the project. Typical photos of Badia before and after upgrading are shown at Attachment 8.

18. While SERAC has not specifically mentioned this pilot project, it has mentioned the area known as Badia. It appears that the reported announcement by the Commissioner has caused SERAC's confusion and unwillingness to believe our explanations of what resettlement we have been associated with, and what we have not.

Previous SERAC Assertion

19. SERAC's earlier communication with us during 1997 (see paragraphs 8 and 9) also mentioned verbally that people were being displaced in the Ikeja district as a result of drain construction under the Project. We indicated that was not the case in Ikeja, and although they proposed to bring us evidence of this, none has been provided, and this is not part of their present complaint.

Conclusion

20. The Project affected 286 people. All of these people were resettled or compensated in accordance with Bank policies. Events of 1.2 million people being rendered homeless, or 2,000 people being moved at gunpoint, as mentioned by SERAC, are clearly not the same as 286 people being resettled or compensated under the Project. We have no evidence that such events occurred.

SUMMARY OF SPECIFIC ISSUES AND RESPONSES

Claim 1: Under the Project, over 2000 persons have been forcibly evicted by heavily armed police from their homes and businesses in Ijora Badia and Ijora Oloye.

Response: No such event occurred **under the Project**, and there is no evidence indicated by the complainant, or reason that we know of, for such an event to have occurred.

Claim 2: In July 1996 the Lagos State Government announced plans for fifteen slum communities in Lagos to be demolished under the Project, thereby rendering 1.2 million people homeless.

Response: Such an announcement was reported in newspapers. MEPP claims that it was rebutted by them on radio and television soon after the newspaper report appeared. Demolition of these communities is not part of the Project, has not been carried out under the Project, and there are no plans for it to be carried out under the Project.

Claim 3: SERAC's interests have been, and continue to be, directly and adversely affected by the failure of the Bank to comply with its policies, procedures and the credit agreement during the implementation of the Project, namely OD 4.30 on Involuntary Resettlement.

Response: This OD has been complied with for those people needing to be relocated as a result of the Project.

Claim 4: SERAC's interests have been, and continue to be, directly and adversely affected by the failure of the Bank to comply with its policies, procedures and the credit agreement during the implementation of the Project, namely OD 4.15 on Poverty Reduction.

Response: The Project aims to improve drainage and thereby public health in Lagos. This is consistent with our strategy of poverty reduction and human development in Nigeria. While the Project is part of a total effort at poverty reduction, it does not have specific interventions on poverty reduction. The people SERAC says it represents are no doubt poor, and the poor, who overwhelmingly inhabit the low lying areas near major drains, will benefit from the Project. Where they have been affected by the Project (i.e. the 286 people resettled), the application of OD 4.30 is more relevant and is more specific.

Claim 5: SERAC's interests have been, and continue to be, directly and adversely affected by the failure of the Bank to comply with its policies, procedures and the credit agreement during the implementation of the Project, namely OD 4.20 on Gender Dimensions of Development.

Response: All people affected by the Project were treated equally without regard to gender. Everyone needing resettlement or compensation as a result of Project activity received it without regard to gender, and also without regard to whether or not they had a certificate of occupancy.

Claim 6: SERAC's interests have been, and continue to be, directly and adversely affected by the failure of the Bank to comply with its policies, procedures and the credit agreement during the implementation of the Project, namely OD 10.70 on Project Monitoring and Evaluation.

Response: Activities under the Project have been regularly monitored in the field in accordance with OD 10.70 and as agreed during Project negotiations. Where shortcomings have been identified, actions have been agreed to correct them. The Borrower's project management team has primary responsibility for monitoring, and representatives are on site most days. They regularly meet with community leaders and help resolve difficulties with the community and contractors.

Claim 7: SERAC's interests have been, and continue to be, directly and adversely affected by the failure of the Bank to comply with its policies, procedures and the credit agreement during the implementation of the Project, namely OD 10.04 on Economic Evaluation of Investment Operations.

Response: Proper economic analysis of the Project was completed at appraisal. It is interesting to note that a review by the Bank's Transportation, Water and Urban Development Department

of the quality of economic analysis of a cohort of projects appraised around the same time as this one made special mention of this Project as a good example.

Claim 8: SERAC's interests have been, and continue to be, directly and adversely affected by the failure of the Bank to comply with its policies, procedures and the credit agreement during the implementation of the Project, namely Articles of Agreement Article V, Section 1(g)

Response: In accordance with the relevant provision of the Articles of Agreement, the proceeds of the Credit have been used for purposes of the project as evidenced by supervision reports and certified by the audits of the Project Accounts.

Claim 9: SERAC's interests have been, and continue to be, directly and adversely affected by the failure of the Bank to comply with its policies, procedures and the credit agreement during the implementation of the Project, namely Credit Agreement 2517.

Response: There has been compliance with the provisions of the Development Credit Agreement.

Claim 10: The Bank has violated its policies, procedures, and the credit agreement because the host communities were not consulted during the Project's planning and implementation phases, or where consultation was held there was insufficient follow-up.

Response: Members of the community were consulted during the planning of the resettlement exercise (see consultant report at Attachment 3) and during the urban upgrading study and pilot project design (MEPP has videos of at least one such consultation). There has also been and continues to be regular consultation between community members and MEPP representatives, who are on site most days during implementation. Bank staff and consultants regularly talk to community members during missions.

Claim 11: SERAC's interests and stakeholders' rights have been materially and adversely affected as a result of the Bank's non compliance with its Operational Directives.

Response: We have complied with all relevant Operational Directives as evidenced by our responses above and below.

Claim 12: The victims suffer and continue to suffer destruction of their homes, livelihoods, communities and culture.

Response: This is not true of the Bank financed Project. We have no evidence that it has happened in the neighborhoods around the Project.

Claim 13: Residents who have attempted to build makeshift homes in the neighborhoods around the Project site have been constantly terrorized by armed security guards.

Response: This is not related to the Project. We have no evidence that it has happened in the neighborhoods around the Project.

Claim 14: The communities' stable access to utilities has been disrupted as a result of the Project.

Response: The Project has not disrupted access to utilities.

Claim 15: Stagnant waste water has accumulated in the open channels which were constructed under the Project.

Response: The Project area includes low lying swampy grounds which flood regularly when it rains. Stagnant pools existed at various locations along the natural channels prior to the Project. One of the primary objectives of the Project is to improve the situation by constructing effective drainage channels. The natural flow of water cannot be stopped during construction activities, and as part of the water management activities carried out by contractors during construction, it is typically backed up in some sections and pumped or otherwise diverted to active drains. Where the drains have been completed, water is flowing freely. For the drains to continue to function as designed, regular maintenance will be required, including regular solid waste disposal service, and community awareness programs to encourage communities not to use drains as garbage receptacles.

Claim 16: Rather than deflood the communities, the channels have become a receptacle for waste water which overflows regularly into living spaces and endangers the lives of residents.

Response: The natural channels (which predate the Project) are the primary receptacles for waste water in Lagos. Where the engineered drains have been completed, the evidence is that overflow into living spaces that was prevalent before the Project has been eliminated.

Claim 17: Many of the evictees have become squatters or live in distant places far removed from their employment.

Response: All the 286 people who were displaced under the Project were settled or compensated in accordance with Bank policies. They were settled within 300 meters of their original dwellings.

Claim 18: Women, children and the disabled have suffered untold hardship under the Project.

Response: This has not happened under the Project.

Claim 19: No relief measures have been applied to mitigate the suffering of members of the population as mandated by the Bank's policies.

Response: Those to whom Bank policies apply, namely the 286 people resettled under the project, have been properly resettled and compensated in accordance with Bank policies.

Claim 20: The actions and omissions described in SERAC's request are the responsibility of the Bank as they have resulted from a Project funded by it.

Response: The actions and omissions described did not result from the Project funded by the Bank. Where actions were required under the Project, the Bank's policies were complied with.

Claim 21: The Bank's responses to SERAC's complaint have been unsatisfactory.

Response: The Bank has gone out of its way to respond to SERAC's communications, including visiting its offices and facilitating communication between SERAC and the proper Lagos State authorities. The Bank's responses have been factual, whether verbal or written. SERAC, in its further communications to others has misquoted the Bank, to an extent which suggests an unwillingness to believe facts about the Project provided to them by the Bank.

Claim 22: The victims of demolitions have been neither resettled, rehabilitated nor compensated for their losses. They have not received any remedies for the physical and mental pain inflicted on them by armed security agencies.

Response: Those to whom Bank policies apply, namely the 286 people resettled under the project, have been properly resettled and compensated in accordance with Bank policies. The claim may refer to an action outside the Project of which we are unaware. Our investigations show that the additional 25 structures at Ijora Oloye (refer Paragraph 14) were removed at the initiative of the community after Project work was completed in the area.

Claim 23: No official has been questioned or punished for these violations of the local populations' rights.

Response: The Bank financed Project has not violated anybody's rights. In any case, the Bank does not have the authority to discipline officials of the Lagos State Government.

Claim 24: SERAC and the communities remain uncertain and apprehensive as to when future evictions are scheduled.

Response: No evictions were carried out under the Project without proper resettlement or compensation. There is currently no new ground to be broken under the Project, which closes in March 1999, so identification of additional affected buildings is unlikely.

Claim 25: SERAC and the communities remain uncertain and apprehensive as to when uncompleted or abandoned components of the Project will be completed.

Response: No part of the Project has been abandoned. Some parts are incomplete, and some work is proceeding more slowly than originally planned because of the difficult site conditions. In the specific case of Ijora Badia, the contractor elected to change from construction in a downstream direction to construction in an upstream direction, to improve his access conditions, not an unusual procedure for civil engineering works under difficult conditions such as have occurred under the Project. This resulted in one point appearing to have been abandoned,

whereas in fact the contractor is working towards it from the opposite end of the drain. We would not pretend that the environmental conditions surrounding the drains are pleasant, either before or during construction work, as many have been receiving waste matter for years. The stagnancy of the water will disappear, and the overflow which was previously prevalent will be eliminated, on completion, as it already has in areas where work has been completed.

Claim 26: The Bank expressed a vote of confidence in the Project without first visiting the host communities or meeting with community leaders.

Response: Bank missions visited the project sites and communities during project planning and implementation. The Bank has regularly visited the Project including site visits to those areas where work is ongoing, including meeting with community members. However it does not have the resources to observe every activity that happens, and relies on project units and their consultants for detailed monitoring. We believe that this has been satisfactory and sufficient, and that the complaints raised are not true of the Project.

Claim 27: Meetings with SERAC were held with less than a few hour's notice and often one day before the Bank officials were scheduled to depart from Nigeria.

Response: Bank staff and consultants have met with SERAC on at least five occasions. Our reply of July 15, 1997 to their first letter to Mr. Wolfensohn offered to meet with them in Lagos during our planned next mission in September 1997. Unfortunately we did not hear their acceptance of this offer until the last day of our mission, at which time the Bank's Team Leader, after failing to make telephone contact, visited SERAC's Executive Director in his office in Lagos. The Executive Director subsequently visited the Bank's Country Director in Washington in November 1997 for a meeting that lasted almost two hours. In February this year, a mission en route from Abuja to Washington managed to arrange for SERAC to meet with it and Lagos Government officials to facilitate communication between them. SERAC did not follow up on that meeting as was agreed. In March this year our consultant met for several hours with SERAC's Executive Director, and she (the consultant) felt that he was happy with the understanding he had received of what was being undertaken under the Project; they were unable to visit the site as fuel was not available in Lagos at the time. In May this year our consultant (new consultant) visited SERAC's office and, two days later as SERAC requested, visited Ijora Badia and Ijora Oloye with SERAC to interview selected community members; this and the subsequent visit in July revealed that the structures SERAC claimed to have been demolished were in fact demolished after the Project drain was constructed (Refer paragraph 14 above).

SERAC's telephone calls to the Bank's Country Director in Washington, stated as between May 28 and June 8, 1998 were returned on June 5, 1998 by his office because he was departing on mission to Nigeria.

Claim 28: Although they received no prior notice of the visit of SERAC and our consultant on May 28, 1998, community leaders complained of violation of their human rights under the Project.

Response: Our own visit, also undertaken without notice in July, received no complaint of violation of human rights, but a single complaint about access having been cut, as indicated above. This appeared to have been fully resolved (paragraph 15).

Claim 29: There has (as of June 16, 1998) been no feedback to SERAC of the results of the consultant's mission which concluded June 5, 1998.

Response: The report was submitted to the Bank's Abuja office by the consultant on June 25, 1998, after SERAC had submitted the Request for Inspection. It is at Attachment 7.