

REQUEST FOR INSPECTION

TO: THE INSPECTION PANEL:
1818 H St., N.W.,
Washington, D.C. 20433,
U.S.A.

whose letter of authorization is attached, and living in the area known as: East Parej Coal Mining Project, claim the following:

1. The World Bank is financing the implementation of a project called India Coal Sector Environmental and Social Mitigation Project (CSESMP), which covers 24 coal mines in India, of which Parej East is one. As far as our knowledge goes, the project is SAR no 15405-IN, approved on 16.05.97, for a IDA loan of \$ 63.m. The Project is complementary to the Coal India Rehabilitation Project (CIRP), an IBRD loan for expansion of production of the same 24 coalmines. The CSESMP is expected "to improve the lives of some 186,000 people, most of whom are poor" (World Bank report FY 1996), i.e. those affected by the mining expansion under the CIRP. More specifically, the Objectives of the CSESMP for the concerned mines are to support the implementation of Environmental Action Plans, Rehabilitation Action Plans and Indigenous Peoples Development Plans, and to provide technical assistance to Coal India in order to strengthen the institutional capacities for dealing with social and environmental issues. (A third component of the project is not relevant for East Parej). For the Project Affected People (PAPs), this means that the quality of their lives would improve, that they would share in the benefits of the mining project, that their displacement and relocation would be undertaken as a development programme, that their former living standards, income earning capacity and production levels would be restored, if not improved.
2. We understand that the Bank has the following policies and procedures
 - OD 4.30 Involuntary Resettlement
 - OD 4.20 Indigenous Peoples.
 - OD 4.01 Environmental Assessment
 - OD 13.05 Project Supervision
 - BP 17.50 Disclosure of Information
 - OPN 11.03 Management of Cultural Property.
3. The Claimants claim that their rights under these World Bank Policies be respected. The claimants have a right to participation and consultation (which was effectively denied because their attempts to raise concerns did not result in improvement of implementation). They have a right to fair and adequate compensation for the loss

of their lands and villages. They have an interest in a full and proper assessment and mitigation of the environmental risks associated with this project. The violations of their rights, and especially the failure to restore their livelihoods, has resulted in significant harm in that they are now without compensatory land, without employment, and without self-employment, all of which could restore their livelihoods. Now being casual labour, they live at the mere survival level with loss of human dignity. In words of the Bank's own OD 4.30, their former skills (farming) are no longer applicable, their former productive sources are dismantled and their supporting networks and kin groups are dispersed.

4. The Claimants claim the Bank has violated some of its own policies in the above mentioned Operational Directives, and it has failed to adequately supervise the CSESMP project as guaranteed when it undertook the project.

(a) Some such policy violations are:

OD 4.20 no 6 "full respect for dignity, human rights...
OD 4.20 no 8 "informed participation of the people themselves...
OD 4.20 no 14 (d) "local patterns of social organization in the plan's design...
OD 4.20 no 14 (e) "development activities should support production systems...
OD 4.20 no 15 b) "baseline data...
OD 4.20 no 15 c) "land tenure...
OD 4.20 no 15 d) "local participation ...
OD 4.30 no 3(e) " who may have usufruct or customary rights to the land or other resources...
OD 4.30 no 3(b) "compensation at full replacement cost prior to...
OD 4.30 3 (b) "particular attention... poorest groups
OD 4.30 4 "preference to land-based resettlement strategies...
OD 4.30 8 "need to be systematically informed and consulted about their options and rights...
OD 4.30 9 "improved education water, health and production services to both communities.
OD 4.30 11 (b) "socio economic surveys information on full resource base including income from informal sector...from common property...
OD 4.30 no 13 "new sites productive potential ... at least equivalent...
OD 4.30 13 (c) "legal arrangement for titles...
OD 4.30 no 14(a) "special arrangements concerning land title....
OD 4.20 no 15 "access to equivalent resources and earning opportunities...
OD 4.30 no 17) "to treat customary and informal rights as equally as possible...
OD 4.30 17 "resettlement plan ...including common property and non-title based usufruct systems governed by locally recognized land allocation system....

OD 4.18 "alternative employment strategies...
OD 4.30 19 "improved social services...
OD 4.30 19 "take into account population growth...
OD 4.30 21 "target date...expected benefits would be achieved.

(b) To be more specific:

One key issue of the ESMP is income restoration of the PAPs. It can be argued that without it, the ESMP has failed in its purpose, that these Bank projects have only impoverished people.

The basis of the PAPs' former non-formal economy was income from (i) common property resources (CRP), and (ii) income from their own (privately owned) lands.

(i) As a result of the expanded mining, common property resources (water sources, fruit trees, forest sources for fodder, fuel, building material etc) have been greatly depleted, and for the PAPs (in contrast to the company employees) these are NOT being replaced. The income from these CRP, basic to the PAPs non- formal economy, has radically diminished.

(ii) Monetary compensation for private income producing assets (land) has not been adequate to secure replacement by other income producing assets (replacement land, other capital assets). Ultimately it is mostly spent on consumer items.

Employment by the company has by company policy been kept minimal.

The much flaunted self-employment projects which the Bank guaranteed would fill in for the above shortages, are grossly failing to replace livelihood, if they have at all materialized. Training has been done, often short and ineffective, and not linked to explicit employment opportunities.

Hence income restoration has not taken place. The outcomes are:

- the PAPs now earning as casual labourers,
- their living in a colony, without legal possession of any land, where as formerly they were land owners,
- the demoralization by feeling loss of their independent living and now being dependent on the coal company which does not even employ them.
- The increase of illness (esp. water borne diseases) as a result of the pollution of water sources, and the wells in the resettlement colonies are not fit for drinking. While dispensary building has been built, medical services have not been provided to handle the increased illness. Lack of capability of securing other services (e.g. education).

- Inability to participate in the new economy which is growing around the mines.
- Increased poverty.

(c) Further, during the term of the project, CIL's R&R policy underwent changes. There was no discussion of this with the PAPs at any level, never any public discussion. Yet it is not the lives of the Bank and CIL officials who decided, but the lives of the PAPs which are being controlled by this policy. This example serves to illustrate the reality of claims of "participation".

5. The claimants believe their rights/interests have been adversely affected as a direct result of the Bank's violations. The project has destroyed their livelihood, and this has not been replaced as explicitly guaranteed to them by the Bank. As a result they are less able to meet nutrition and health needs, educational needs, and are unable to adequately participate in the growing formal economy.
6. They believe the action/omission is the responsibility of the Bank.
7. There has been constant communication with these problems of the CSESMP to the Bank as follows:

25.02.96: "Comments on CSESMP": initial communication of Indian NGOs to the World Bank.

20.04.96: "Report on the East Parej OCP" by CASS.

26.04.96: "Mainstreaming Sustainability" by Berne Declaration

30.04.96: "Environmental Arguments" by Mine Watch.

13.05.96: World Bank (Pollak) reply to "Mainstreaming".

15.05.96: "NGO rejoinder" to WB response to "Mainstreaming"

09.06.96: "Memorandum" by Indian NGOs on occasion of Pollak's visit.

13.09.96: "Benchmarks" submitted by 13 NGOs.

04.10.96: NGO discussion of Benchmarks in a meeting with the Bank's India Department, Washington.

29.10.96: to Chaoji "Arrest & beatings"

12.12.96: D.Marsden "Update Concerns"

07.02.97: "Outstanding Issues"

27.02.97: J Panelic "issues to new TM"

05.04.97: Meeting with CCL Ranchi

16.04.97: Meeting in Washington between northern NGOs and WB

27.04.97: CASS letter to Bauer.

30.04.97: Second meeting in Washington, northern NGOs and WB.

30.04.97: Meeting with Marsden Charhi

06.05.97: Pantelic to Bossard

09.05.97: Consultation in Paris, WB and northern NGOs.

13.05.97: Bossard re Delhi NGO Meeting

13.05.97: Bossard to Gerber

N/d : Bossard to Pantelic
14.05.97: K Singh re Delhi NGO Meeting
14.05.97: CASS to Pantelic re Delhi NGO Meeting
15.05.97: WB proposed NGO consultation in New Delhi.
20.05.97: Letter to WB President Wolfensohn (42 NGOs from 12 countries)
04.06.97: Response by Wolfensohn
12.06.97: "Output Indicators" proposed by NGOs
30.09.97: WB response (McKechnie) to Output Indicators.
03.02.98: CASS to Patnelic
27.02.98: CASS to M.K. Jain
18.05.98: CASS to CMD, CCL
19.05.98: CASS to TM (A Christensen)
28.07.98: CASS to S.N.Verma
01.09.98: CASS to A Christensen
12.12.98: CASS Letter (24 NGOs) to WB
14.02.99: WB response (C Asger) to CASS mid 99: Efforts by CASS and
Minewatch to obtain mid-term Review
04.01.00: Letter on Borwa Tola evictions.
24.07.99: CASS to Mohan
08.09.99: Asger to CASS
15.12.99: CASS to Sashi Kumar
17.12.99: To DC Hazaribag
27.01.00: To Md. Hasan
08.02.00: WB response to CASS on Borwo Tola evictions.
11.02.00: From Md.Hasan
22.02.00: CASS reply to WB of 8.2.00
14.08.00: Wall St Journal article in which WB virtually admits
failure of ESMP project.

8. The claimants received polite and pro-active responses to all their communications, but in time came to realize that these were only serving to wall-paper failures on the ground which were not being addressed. They find the responses of the Bank to be unsatisfactory. Now, as the end of this CSESMP project is imminent, it has failed in its professed aims and failed in the guarantees that were given to the PAPs, guarantees that were used as levers to win consent to give their land and livelihood for the project.
9. They therefore believe that the above actions and omissions which are contrary to the above policies or procedures have materially and adversely affected their rights/interests and request the Panel to recommend to the Bank's Executive Directors that an investigation of these matters be carried out in order to resolve the problems.

Hence we :

a) call on the Inspection Panel to investigate the Bank's compliance with its policies identified above,

b) call on the Board of Executive Directors to permit this investigation to go forward,

c) we further call on Bank Management and the Board of Executive Directors to prolong the term of the Coal Sector Environmental and Social Mitigation Project until such time as the Board can review the Inspection Panel's research and investigation findings. We believe that the objectives of this project, and the necessary compliance with Bank policies, has not been accomplished, and that is would therefore be an abrogation of the Bank's responsibilities to local people to now close the CSESMP with a large percentage of the money remaining unutilized. We believe that the money remaining under the CSESMP should be targeted towards the restoration of PAPs livelihoods and environmental remediation.

As advised in your Operating Procedures, this Request for Inspection is brief. We can provide you with more particulars. We request you to keep the identity of the claimants confidential for their own well being.

DATE:

SIGNATURES: Sgd

CASS, Village Kasiadih, PO Charhi, Hazaribag, Jharkhand.

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There are no attachments at this stage. However we will send separately copies of all correspondence with the World Bank, as well as additional background information on the present status of the PAPs.

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