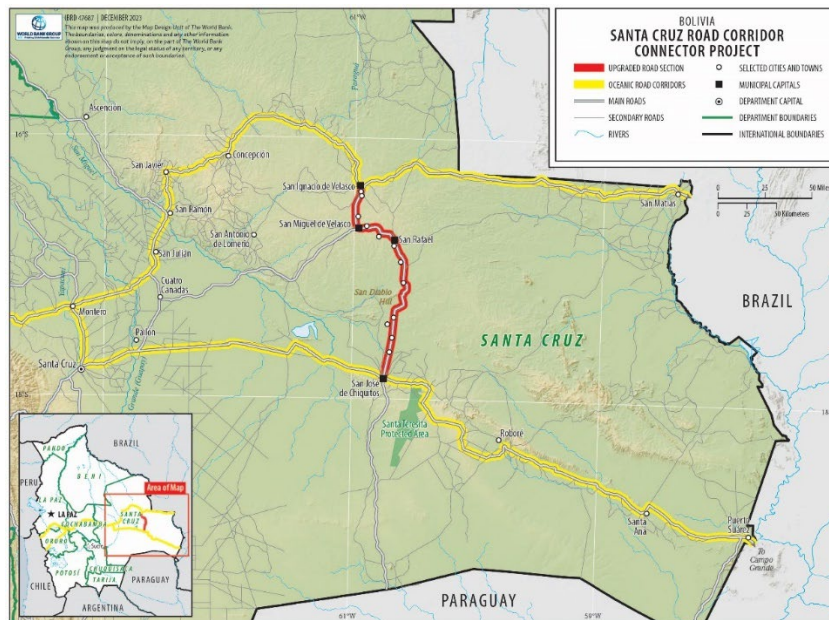


NON-TECHNICAL SUMMARY OF THE PANEL INVESTIGATION INTO THE BOLIVIA: SANTA CRUZ ROAD CORRIDOR CONNECTOR PROJECT (SAN IGNACIO – SAN JOSÉ) (P152281)¹

The Project

Component A of the World Bank’s [Santa Cruz Road Corridor Connector Project in Bolivia](#) (the “Project”) aims to upgrade, from gravel to asphalt concrete, a 208-km stretch of road connecting the towns of San Ignacio de Velasco and San José de Chiquitos in the Department of Santa Cruz. Approved in January 2017, this component includes constructing three bypasses of populated areas, straightening the alignment adjacent to San Diablo hill, building three small bridges, and replacing or constructing approximately 300 culverts.



Map showing Component A of the Project

The Request for Inspection and the Management Response

In December 2022, the Panel received a [Request for Inspection](#) concerning Component A from four individuals who stated they are leaders of four *Centrales Chiquitanas* (organizations of Chiquitano Indigenous People) living in the Project area (the “Requesters”). The Panel [recommended](#) and the Board approved a Panel Investigation in March 2023.

The Requesters raised concerns about both the Project’s original Indigenous Peoples Plan (IPP) approved in 2016 and the revised IPP approved in 2022. They claimed the Chiquitanos were not meaningfully consulted during the development of the IPP nor informed about the Project’s negative impacts and risks. The Requesters also alleged that Project activities threatened the Chiquitanos’ land and livelihoods, as the road would create opportunities for illegal activities and for settlers to move into their area, and that the original IPP neither effectively addressed adverse impacts nor guaranteed the Chiquitanos access to Project benefits. The Requesters

¹ This document is not a formal summary of the investigation, and it is provided to help the understanding of the Panel’s investigation into the Bolivia: Santa Cruz Road Corridor Connector Project (San Ignacio - San José). It is not a primary source document. Readers should refer to the documents on [the Panel’s website](#) for further details.

stated that the revised IPP, while an improvement, still had shortcomings, and that they were concerned the IPP was not being effectively implemented.

The Requestors raised concerns about the Project Contractor’s hiring and labor conditions, and alleged Project workers engaged in sexual exploitation, abuse, and sexual harassment (SEA/SH) of indigenous women and girls. Additionally, during the Panel’s field visits, the Requesters and Project-affected community members voiced concerns related to resettlement and compensation on the right-of-way (ROW), borrow pits, *atajados* (artificial ponds that provide drinking water for humans and animals), and road safety and access.



One of the borrow pits

In its February 2023 [Response to the Request](#), Bank Management stated its “*firm view that the Project is not the cause of the alleged current and ongoing harm resulting from the economic and demographic changes as described in the Request*” and asserted that broader economic and social issues cannot be addressed through a project-level safeguard instrument, such as the IPP. Management acknowledged that IPP implementation had been delayed by two years, as had Project implementation, due to various external factors. Management also recognized the concerns related to Occupational Health and Safety (OHS) and other labor issues, and brought them to the attention of the Implementing Agency — the *Administradora Boliviana de Carreteras* (ABC, the Bolivian Road Administration) — and the Project Contractor. Management claimed that potential SEA/SH issues had been considered at the Project design stage and that targeted mitigation measures had been implemented.

The Focus of the Panel Investigation

The Panel commenced its Investigation in May 2023, at which time it issued an Investigation Plan. The Investigation considered:

- the Project’s identification and assessment of the potential, induced impact in the context of the Chiquitanos and their vulnerabilities,
- the process of free, prior, and informed consultation for the development of Project safeguard documents,
- the Project’s impact on resettlement and compensation related to the ROW, borrow pits, and *atajados*,
- road safety, OHS, and labor working conditions, and
- SEA/SH.

In addition, the Panel assessed the functioning of the Grievance Redress Mechanism (GRM) and Management’s supervision of the Project.

Key Panel Findings

[The Panel’s Investigation Report](#) concluded:

Environmental and Social Assessment, and Free, Prior, and Informed Consultation – The Panel found that Management did not ensure the Social Assessments had adequate breadth and depth of analysis of the Project’s potential, adverse effects on the Chiquitano communities in the Project area given the complexity, risks, and challenges they faced. Consequently, the Panel found Management did not ensure an adequate process of free, prior, and informed consultation with the Chiquitano communities.

IPP and GRM – The Panel noted several problems with — and community concerns about — the inconsistencies between the IPP objectives and the design and implementation of some projects and activities proposed under the IPP. One such discrepancy arose from the inadequate assessment of potential, adverse impacts and the resulting inadequacy of mitigation measures in the IPP. In addition, some IPP projects — including the construction of *casas grandes* (multipurpose communal facilities) and artisanal workshops — focused on “outputs,” and the Panel is concerned they may not be creating meaningful or sustainable “outcomes” for the beneficiaries. However, as IPP implementation was ongoing, the Panel could not assess its full effectiveness.



Artisanal workshop under IPP activities

The Panel found Management in non-compliance for not ensuring the existence of a functioning GRM, and for not accommodating the Indigenous People’s customary dispute resolution process.



A roadside *atajado*

Environmental and Social Assessment of Borrow Pits, *Atajados*, and Resettlement and Compensation in Relation to the ROW – The Panel found the implementation of the Environmental and Social Impact Assessment (ESIA) and Environmental Management Plans (EMPs) for borrow pits to be inadequate. The Panel noted the wide “power” imbalance between the Contractor and Chiquitano communities during the negotiation of agreements for the use of land, and cited the stringent nondisclosure and

arbitration clauses included in the agreements. The Panel found Management did not ensure the provision of measures to minimize, mitigate, or compensate adequately for the negative impacts, including affording adequate support to the Chiquitano communities regarding the Contractor’s negotiated access to their lands for borrow pit development. The Panel found Management did not ensure proper identification or mitigation of the impacts on *atajados*. Although the Panel found Management in compliance for minimizing resettlement, it found Management in non-compliance for not ensuring payments of compensation prior to taking of land and related assets, and for not ensuring an adequate process for compensation payments.

Road Safety, OHS, and Labor Working Conditions – The Panel found Management did not ensure adequate implementation of the ESIA and road safety measures to protect the community and workers’ health, safety, and livelihoods. The Panel also found that, prior to submission of the Request, Management had not safeguarded adequate implementation of OHS measures, including working conditions. While the Panel noted Management’s increased focus on these issues after submission of the Request, serious concerns still remain.



Left - Subcontractor workers’ accommodation in a school classroom shown to the Panel by community members
Right - Reflective speed sign secured by a twig

SEA/SH – The Panel noted the Project had established a comprehensive system to prevent and address SEA/SH — which underwent continuous enhancement in response to reported incidents and allegations — incrementally improving its effectiveness and responsiveness. There remain areas related to SEA/SH on which the Bank and the Project continue to work, but after retrofitting the Project in 2019, the Project’s system to prevent and manage SEA/SH issues has been strengthened and improved. The Panel was pleased to see that Management incorporated the lessons learned from previous Panel Investigations in [Uganda](#) and the [Democratic Republic of Congo](#) into the Project design.

Supervision – Regarding the quality of supervision, the Panel found that, except for SEA/SH issues, Management did not effectively monitor Project implementation or identify appropriate follow-up actions needed prior to submission of the Request. Following submission of the Request, Management increased its supervision and took various actions to address these issues and the Panel consequently found Management to be in compliance.

Adoption of the Management Action Plan

In response to the [Inspection Panel's Investigation Report](#), the March 2023 [Management Report and Recommendation \(MRR\)](#) acknowledged many of the Project's shortcomings regarding compliance with Bank safeguard policy requirements. The MRR includes a Management Action Plan (MAP), which outlines actions in five areas for both the ABC and the Bank.

GRM – The GRM Manual will be updated and cleared, and training and capacity building will be conducted with ABC staff, the Contractor, and the supervision firm. ABC will continue to disseminate the function and utility of the GRM within the Project area. The wider grievance redress system will be assessed to identify recommendations for further improvement.

Borrow Pits – A protocol will be developed, cleared, and applied to ensure comprehensive assessments of environmental and social risks and impacts associated with borrow pit exploitation, and a methodology for approaching landowners. This will appropriately consider their inputs and create a proper process for negotiating access to land for borrow pits or material extraction sites.

Atajados – A detailed report on *atajados* will be prepared and reviewed, which will include a full inventory of all *atajados* in the ROW, and assess all relevant environmental and social risks and impacts associated with them. All mitigation and/or remedial measures in said report will be implemented. The Water Resource Management Plan will be continuously updated.

Road Safety – The Road Safety EMP will be updated every three months, and compliance with the Road Safety EMP will be undertaken at least monthly through road safety field supervision. Capacity to address road safety issues will be strengthened.

OHS – Capacity to address OHS in road construction will be strengthened in line with good international practice. All pending grievances related to OHS will be addressed. A report will be produced containing details regarding the recommendations made in the August 2023 OHS audit.

Conclusion

The Panel noted that most community members with whom it met recognized the Project's benefits, but were concerned that adverse impacts were inadequately heard, assessed, and addressed. The Panel holds the view that, had such impacts been assessed and consulted more thoroughly, the IPP and its benefit programs could have been better designed and targeted to address the challenges faced by the impacted Chiquitano communities. The Panel believes this case provides useful lessons on how the World Bank can approach future road upgrade projects. As analyzed through this Investigation, a road upgrade project can have significant impacts depending on its scale and socio-economic context. Thus, a comprehensive understanding of this context is imperative to ensure that adequate social and economic benefit projects and mitigation actions are appropriately consulted, designed, and then implemented.