THE INSPECTION PANEL









ANNUAL REPORT

July 1, 2004, to June 30, 2005

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ABBREVIATIONS AND ACRONYMS

ACUACAR Aguas de Cartagena, S.A. E.S.P.

BP Bank Procedures

CASS Chotanagpur Adivasi Sewa Samiti

CCL Central Coalfields Limited

CODE Committee on Development Effectiveness

CSESMP Coal Sector Environmental and Social Mitigation Project

CSRP Coal Sector Rehabilitation Project

DSEA Drainage Sector Environmental Assessment

EA Environmental Assessment EBY Entidad Binacional Yacyretá

ESIA Environmental and Social Impact Assessments

FCMCPP Forest Concession Management and Control Pilot Project FEDAYIM Federación de Afectados por Yacyretá de Itapúa y Misiones

GoI Government of India GoP Government of Pakistan

GP Good Practices

IBRD International Bank for Reconstruction and Development

IDAInternational Development AssociationIADBInter-American Development BankIPDPIndigenous Peoples Development Plan

JVLR Jogeshwari-Vikhroli Link Road

LBOD Left Bank Outfall Drain

MMRDA Mumbai Metropolitan Region Development Authority

MUTP Mumbai Urban Transport Project
NDP National Drainage Program
NGO Nongovernmental Organization
NSDS National Surface Drainage System
NTPC National Thermal Power Corporation

OD Operational Directive

OMS Operational Manual Statement

OP Operational Policy
OPN Operational Policy Note
PAFs Project-affected families
PAP Project-affected people
PIC Public Information Centers

Abbreviations and Acronyms 5

R&R Resettlement and Rehabilitation

RAP Resettlement Action Plan

SCLR Santa Cruz-Chembur Link Road SFMP Sustainable Forest Management Plan

TA Technical Assistance

UNLP Universidad Nacional de La Plata USOA United Shop Owners Association

UNITS OF MEASURE AND CURRENCIES

km kilometers

masl meters above sea level km² square kilometers

US\$ U.S. dollar

LETTER OF TRANSMITTAL

The Annual Report of the Inspection Panel for the period July 1, 2004, to June 30, 2005, has been prepared for the International Bank for Reconstruction and Development and the International Development Association in accordance with the 1993 Resolution establishing the Panel. It is being circulated to the President and to the Executive Directors of these institutions.

The Panel wishes to thank the Executive Directors for their steadfast support for the Panel. The Panel also thanks Mr. Paul Wolfowitz, the President of the World Bank Group, Mr. James D. Wolfensohn, former President of the World Bank, and Senior Management for their continued support of the Panel as an essential element in ensuring accountability and transparency by the World Bank. The Panel is also grateful for the continued support of civil society and for their efforts in promoting accountability and transparency.

Edith Brown Weiss Chairperson June 30, 2005

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The Inspection Panel consists of three members who are appointed by the Board for non-renewable periods of five years. As provided for in the Resolution that established the Panel, members are selected on the basis of their ability to deal thoroughly and fairly with the Requests brought to them, their integrity, their independence from Bank Management, and their exposure to developmental issues and to living conditions in developing countries. A Panel member is disqualified from participating in the investigation of any Request related to a matter in which he or she has a personal interest or had significant involvement in any capacity. Panel members may be removed from office for cause, only by decision of the Executive Directors.

The Panel's structure and operations further safeguard its independence. It is functionally independent of Bank Management, and reports solely to the Board. In addition, Panel members are prohibited from ever working for the Bank after their term ends.

Current Members. The members of the Panel are Edith Brown Weiss (member since September 2002), Tongroj Onchan (member since September 2003) and Werner Kiene (member since November 2004). Panel members are required to select their chairperson annually. The present chairperson is Ms. Edith Brown Weiss. The chairperson of the Panel works full time while the two other Panel members work on a part-time basis as the need arises.

Former Members. Richard Bissell (1994–97), Alvaro Umaña (1994–98), Ernst-Günther Bröder (1994–99), Jim MacNeill (1997–02), Edward Ayensu (1998–03), and Maartje van Putten (1999–04).

Secretariat. The Panel has a permanent Secretariat, which is headed by Executive Secretary Eduardo G. Abbott. The office also consists of Assistant Executive Secretary Anna S. Herken; Operations Officers Serge Selwan and Tatiana Tassoni; Senior Executive Assistant Francine Coscolluela, and Program Assistant Nimanthi Attapattu. The Secretariat provides administrative support to the Chairperson and Panel members, and assists the Panel in the processing of Requests, in conducting investigations, as well as in responding to queries from potential Requesters. The Secretariat also coordinates outreach activities, seminars and other events, disseminates information as the need arises, and provides general research and logistical support to the members of the Panel.

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MESSAGE FROM THE PANEL

In response to external and internal concerns about the effectiveness of World Bank lending, the Board of Executive Directors established the Inspection Panel in 1993 to provide independent institutional recourse for people who felt adversely affected by Bank-financed projects or programs. In carrying out the Board's mandate, the Inspection Panel has engaged affected communities, the Board of Executive Directors, World Bank management and staff, nongovernmental organizations (NGOs), and, more generally, the public and private sectors.

The Panel provides an objective forum for investigating complaints from people who believe that they have been harmed by Bank-financed projects or programs because the Bank has not followed its policies and procedures. This is especially important when the Bank takes necessary risks to instill effective and sustainable economic development.

During the past fiscal year, the Panel has achieved the following:

- Conducted four investigations,
- Reviewed and assessed management's implementation of its Action Plan and Additional Measures following an earlier Panel investigation,
- At the Board's request, provided input on the country systems initiative,
- Presented a seminar at the Bank's 2004 Annual Meeting,
- Expanded its outreach to civil society and communities affected by Bank projects or programs, and
- Continued its outreach to Management and staff.

Last year the Panel received three Requests: one each from Pakistan, Cambodia, and Burundi. The Panel registered the first two Requests and recommended an investigation in response to both. The Board approved the recommendations. The Panel did not register the Request from Burundi, because it focused on procurement issues, which are outside the Panel's jurisdiction. It notified the Board of Executive Directors of the Request and referred it to the Bank's Department of Institutional Integrity.

In addition to these new Requests, the Panel has been involved with four investigations, and at the Board's request, has also followed up on the results of previous investigations. The Panel completed the investigation for the Cartagena Water Supply, Sewerage and Environmental Management Project and forwarded its report to the Board and to Bank Management and staff for Management Response and the Board's decision. It has nearly completed the investigation of the Mumbai Urban Transport Project, and is in

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the midst of investigations of the Pakistan National Drainage Program Project (Sindh Province) and the Cambodian Forest Concession Management and Control Pilot Project.

In May 2004, the Board of Executive Directors considered the Panel's Report on the Request from affected communities in Paraguay regarding the Yacyretá dam between Paraguay and Argentina. The Board asked Management to submit a report in 90 days on progress in implementing its action plan and the additional measures decided by the Board. The Board asked the Panel to review and assess Management's action plan and the additional implementation measures. Following the Board's decision, the Panel returned to the Project area to explain and discuss the Panel's findings with the Requesters and the people whom they represent. During this last fiscal year, the Panel provided the Board with a review and assessment of the Bank's progress in implementing its action plan and the additional measures decided by the Board. The Panel has continued to follow this issue. At the Board's request, the Panel has also followed the Bank's progress in implementing its action plan responding to the Panel's report on the India Coal Sector Environmental and Social Mitigation Project.

At the invitation of members of the Board of Executive Directors, the Panel has provided its views to the Board on the Bank's new Operational Policy/Bank Procedure on the country systems approach, in which the Bank, on a pilot basis, can use a country's own environmental and social policy frameworks if they are equivalent to those of the Bank. This followed on the Joint Statement on the Use of Country Systems by the Chairperson of the Inspection Panel and the Senior Vice President and General Counsel of the World Bank.¹

The Panel has continued its outreach efforts to civil society. The Panel has expanded and redesigned its Annual Report to build on the format of its 10-year anniversary book and to make it more accessible to a broader audience beyond the Board and Bank Management and staff. It has also redesigned its Web site to make it more attractive and easier to use, and to ensure that its materials are more readily accessible. Furthermore, it has developed materials for display at the Bank's Public Information Centers, and distributed its brochures, which are published in 12 languages, to a broad range of communities.

At the 2004 Annual Meeting of the World Bank, the Panel organized a seminar entitled "How to Make Institutions More Accountable," which brought together insights regarding accountability issues in international institutions and in the public and private sectors. In addition, the Panel has organized, co-organized, or cosponsored symposia on accountability issues and the Inspection Panel in several regions, including a symposium in Bangkok, Thailand, organized by Panel member Tongroj Onchan; a meeting in Buenos Aires, Argentina; and a seminar in Bishkek, the Kyrgyz Republic. The Panel Chairperson delivered a keynote address to the 25th Annual Conference of the International Association for Impact Assessment. Panel members, the Executive Secretary, and Secretariat staff have spoken at international meetings, delivered university lectures, and met with NGOs in various regions.

In April 2005 in Manila, the Philippines, the Asian Development Bank hosted the second informal meeting of the accountability and recourse mechanisms at international financial and related institutions. The Inspection Panel hosted the inaugural meeting

¹ The text of the 2004 Joint Statement appears in Annex 2.

the previous year. Following the meeting in Manila, the Panel Chairperson delivered an address at the Japanese Bank for International Cooperation.

The Panel believes that it is important not only for civil society to be well informed about the role and functions of the Panel but also for Bank Management and staff to understand the work of the Panel and its potential to provide independent and impartial findings concerning compliance with Bank policies and procedures. In the previous fiscal year, the Panel prepared a Staff Brochure about the Panel for distribution to all staff members. During this past year, the Panel presented its work to two country offices and continued to disseminate its brochure.

In all of these efforts, the Panel Secretariat has played a critical role. The Panel thanks all the members of the Secretariat for their excellent support and for their continued dedication to the work of the Panel.

The Panel also expresses its appreciation to the Board of Executive Directors for their support of the Panel, to Bank Management and Staff for their cooperation in responding to inquiries from the Panel, and to affected peoples and civil society for entrusting the Panel with their concerns.

Edith Brown Weiss, Chairperson Tongroj Onchan Werner Kiene June 30, 2005

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THE INSPECTION PANEL

The World Bank created the Inspection Panel in 1993, on the eve of its fiftieth anniversary, to serve as an independent mechanism to ensure accountability in Bank operations with respect to its policies and procedures.² It was an unprecedented act in the history of international financial institutions. Since its inception, the Panel has provided people affected by Bank-financed Projects with direct access to an international forum where their complaints can be addressed. After almost five years of the Panel's operation, in April 1999, the Board confirmed "the importance of the Panel's function, its independence and integrity."³

Subject to Board approval, the three-member Panel is empowered to investigate problems that are alleged to have arisen as a result of the Bank having failed to comply with its own operating policies and procedures. As directed by the Resolution that established the Panel, the Executive Directors reviewed the Panel's experience after two years of operations. The review was concluded on October 17, 1996, with the approval of certain Clarifications of the Resolution. In March 1998, the Board launched a second review of the Panel's operations, which ended in April 1999 with the approval of the second Clarifications of the Resolution (see Annexes 1, 2, and 3, respectively, for the full texts of the Resolution and the 1996 and 1999 Clarifications).

PANEL PROCESS

The Panel's process is straightforward. Any two or more individuals or groups of individuals who believe that they or their interests have or are likely to be harmed by a Bankfinanced Project can request that the Panel investigate their complaints. After the Panel receives a Request for Inspection, it is processed as follows:

- The Panel determines whether the Request is barred from Panel consideration.
- If not, the Panel registers the Request—an administrative procedure.

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² See Resolution No. IBRD 93-10; Resolution No. IDA 93-6, establishing "The World Bank Inspection Panel." The Panel's 1994 "Operating Procedures" provide detail to the Resolutions. For the purposes of the Inspection Panel, the World Bank comprises both the International Bank for Reconstruction and Development (IBRD) and the International Development Association (IDA).

³ Conclusions of the Board's Second Review of the Inspection Panel (hereinafter "1999 Clarifications"), IBRD and IDA Board of Executive Directors, April 20, 1999, at paragraph 1.

- The Panel promptly notifies the members of the Board that a Request has been received and sends the Request to Bank Management.
- Bank Management has 21 working days to respond to the allegations of the Requesters.
- Upon receipt of Management's Response, the Panel conducts a review in 21 working days to determine the eligibility of the Requesters and the Request.
- The Panel delivers its eligibility report and any recommendation on an investigation to the Board for its approval on a no-objection basis.
- If the Panel does not recommend an investigation, and the Board accepts that recommendation, the case is considered closed.⁴
- After the Board's approval of the Panel's recommendation, the Requesters are notified.
- Shortly after the Board decides whether an investigation should be carried out, the Panel's Report (including the Request for Inspection and Management's Response) is publicly available at the Bank's InfoShop and the respective Bank Country Office, as well as on the Panel's Web site (www.inspectionpanel.org).
- If the Board approves the Panel's recommendation for an investigation,⁵ the Panel undertakes an investigation. The investigation is not time-bound.
- When the Panel completes an investigation, it sends its findings on the matters alleged in the Request for Inspection to the Board and to Bank Management.
- Bank Management then has six weeks to submit its recommendations to the Board on what, if any, actions the Bank intends to take in response to the Panel's findings.
- The Board then takes the final decision on what should be done based on the Panel's findings and Bank Management's recommendations.
- Shortly after the Board's decision, the Panel's Report and Management's Recommendation are publicly available through the Bank's InfoShop and the respective Country Office.
- The Panel's Report, Management's Response, and the press release concerning the Board's decision are also posted promptly on the Panel's Web site (www.inspectionpanel.org).
- Copies of these Reports are also available at the Panel's Secretariat and, to the extent possible, translated into the Requesters' language.

⁴ The Board could, nevertheless, decide otherwise and instruct the Panel to make an investigation.

⁵ See Conclusions of the Board's Second Review of the Inspection Panel, paragraph 9: "If the Panel so recommends, the Board will authorize an investigation without making judgment on the merits of the claimant's request..." See 1999 Clarifications, available on the Inspection Panel's homepage (www.inspectionpanel.org) and included in Annex 5 of this report.

Who may submit a Request for Inspection?

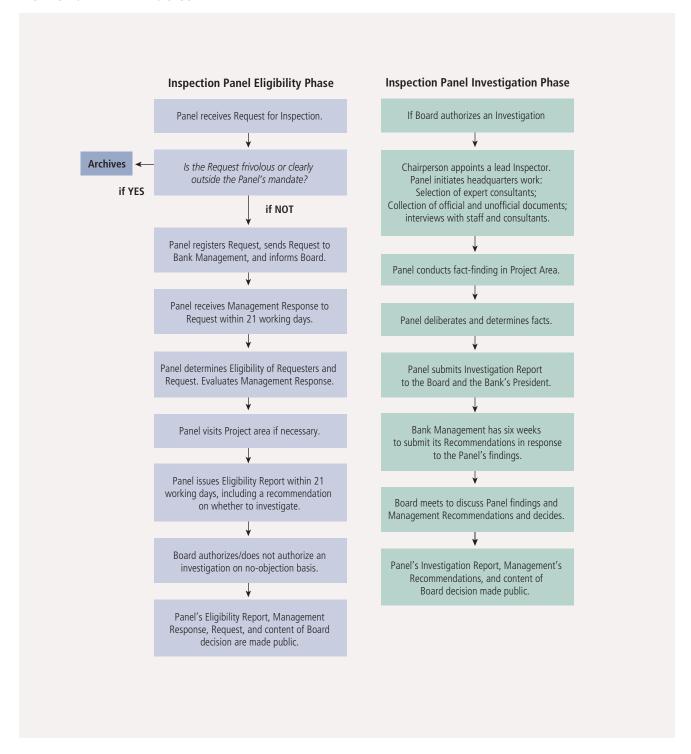
- Any two or more persons directly affected by a Bank-supported Project.
- Local representatives on behalf of directly affected persons with proper proof of authorization.
- Subject to Board approval, a non-local representative (in exceptional circumstances where local representation is not available) may file a claim on behalf of local affected parties.
- An Executive Director.

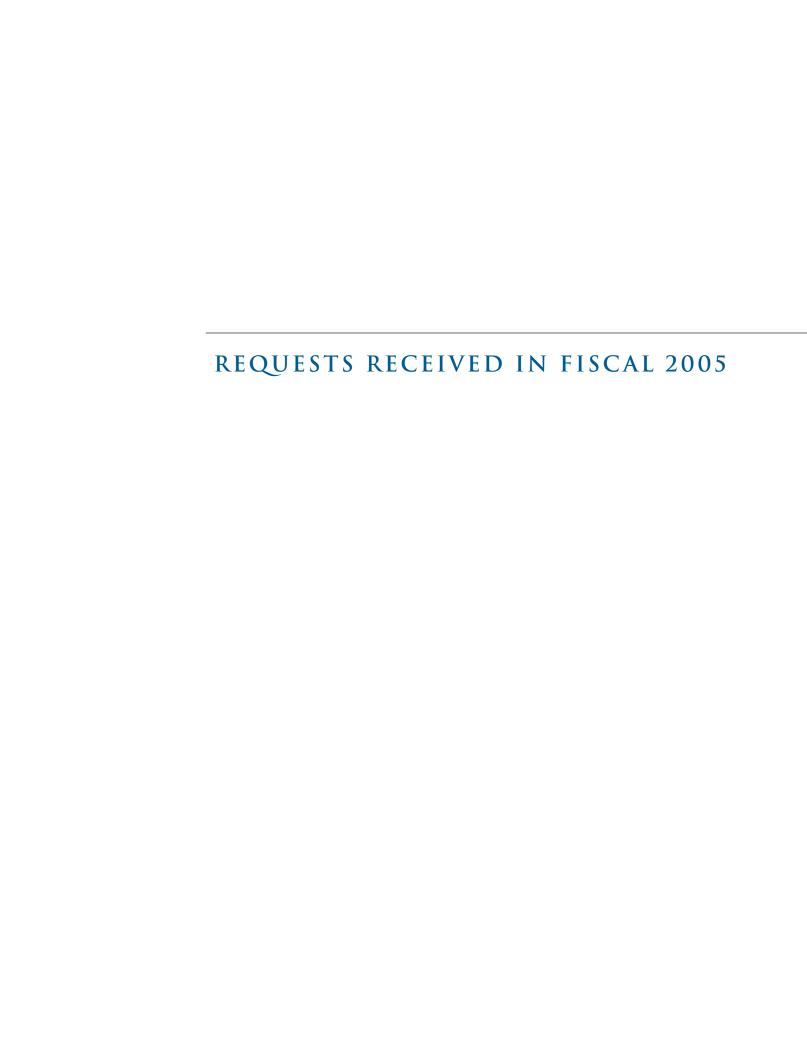
What are the criteria for recommending an Investigation?

- The affected party is a community, consisting of any two or more persons in the borrower's territory who have common interests or concerns.
- The Request asserts in substance that a serious violation by the Bank of its Operational Policies and Procedures has, or is likely to have, a material adverse effect on the Requester.
- The Request asserts that its subject matter has been brought to Management's attention and that, in the Requester's view, Management has failed to respond adequately in demonstrating that it has followed or is taking steps to follow the Bank's policies and procedures.
- The matter is not related to procurement.
- The related loan has not been closed or more than 95 percent disbursed.
- The Panel has not previously made a recommendation on the subject matter or, if it has, the Request asserts that there is new evidence or circumstances not known at the time of the previous Request.

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FIGURE 1
INSPECTION PANEL PROCESS





REQUEST NO. 34

National Drainage Program Project

(CREDIT NO. 2999-PAK)

BOX 1. PROJECT INFORMATION AT A GLANCE

Project Name: Pakistan: National Drainage Project

Region: South Asia

Sector: Irrigation and Drainage, Central Government

Administration, Sub-national Government

Administration

Environmental Category: B

IDA Credit Amount: US\$ 285,000,000.00

Board Approval Date: November 4, 1997

Effective Date: February 25, 1998

Closing Date: December 31, 2004

THE REQUEST

On September 10, 2004, the Inspection Panel received a Request for Inspection related to the Pakistan: National Drainage Program (NDP) Project, which is partly financed by the International Development Association (IDA). The Request was submitted by Khadim Talpur, Mohammad Ali Shah, Mustafa Talpur, Munawar Hassan Memon, Iqbal Hyder, Mir Mohammad Buledi, and Najma Junejo on their own behalf and on behalf of "others who live in the area known as district Badin, Sindh, Pakistan" in the Indus River Basin. On Sep-

tember 17, 2004, the Panel registered the Request for Inspection.

The requesters are particularly concerned about the proposed construction of the National Surface Drainage System (NSDS), a northward extension of the existing Left Bank Outfall Drain (LBOD) in Sindh Province and the proposed completion of work on the existing drain system which they perceive as faulty and insufficient to deal with the inherent risks of the LBOD design and the harm that it had caused them. On December 13, 1984, IDA had approved the LBOD Project to address flooding and salinity problems. By December 31, 1997, the closing date of the LBOD Project, some works were yet to be completed and were transferred to the NDP. The IDA approved the NDP on November 4, 1997, to address waterlogging¹ and salinity, which are the principal threats to the sustainability of irrigated agriculture in Pakistan. The NDP Project, as described in

¹ Waterlogging is a phenomenon that can permanently affect areas like wetlands, and it has economic (agricultural) and species distribution consequences. Waterlogging cuts off the oxygen supply to roots and inhibits the escape of gases, such as carbon dioxide, from the roots, which then accumulate in the soil and have a corresponding effect on the roots themselves. It may also increase risk of soil-borne fungal diseases. In warmer climates near the sea, waterlogging can also produce increased salinity.



the Development Credit Agreement, includes the assistance to the Borrower and the Provinces "in implementing the first phase of the National Drainage Program, which is designed to restore environmentally-sound irrigated agriculture, inter alia, through the minimization of saline drainable surplus and the eventual evacuation of all saline drainable surplus to the sea, and to that end: (a) to promote the carrying out of policy and institutional reforms in the water sector; (b) to strengthen drainage and irrigation research and sector planning capabilities; and (c) to finance investments in drainage and irrigation infrastructure."

According to the Requesters, the northward extension of drains under the NDP and the use of the disposal system through a Tidal Link are not sustainable. The Requesters note that the "alternate project options or disposal systems, which are historical natural disposal systems, have been ignored." The Requesters also add that this expansion of drains will entail the "forceful acquisition of land." The Requesters assert that more than 50 villages in the district of Badin, Sindh Province, will suffer the permanent threat of flooding from the disposal of upstream saline effluents. They claim that the "overflowing, breaches and sea intrusion during [the] 2003 rains" have already caused the death of 30 people, damaged thousands of houses, and destroyed thousands of acres of agricultural crops. The Requesters further claim that the proposed drainage network; the absence of fresh water; and the disposal of saline sub-soil water and residual traces of pesticides, fertilizer, and industrial waste accumulated along the way will badly affect the already degraded environment of the Indus Delta and "will destroy the remaining resources of marine fisheries and mangrove forests." The Requesters allege that the Project will cause the destruction of two *Dhands* (coastal wetlands), the Narreri and Jubho lagoons, which they claim are protected by the Ramsar Convention on Wetlands of International Importance, to which Pakistan is party, and that the Project disregards Pakistan's "requirements under international environmental treaties and agreements." The

Requests Received in Fiscal 2005



Requesters also consider that the majority of the coastal communities are Mallahs, a community they classify as "indigenous people." The Requesters state that these people, who live in more than 60 villages and reach 25,000 in number, are "marginalized and vulnerable." They further state that the Mallahs, who are "engaged in fishing at both sea and contiguous wetlands," will be adversely affected by the Project and "the worst affected will be women due to gender inequality in society." The Requesters further claim that the Project is affecting cultural sites such as "the monuments of saint Shaikh Kirhiyo Bhandari [and] the historical site of Roopa Mari and thari." The Requesters fear that, as a result

of the Project, remaining portions of important historic sites "will be destroyed." The Requesters finally allege that the Project's planning process "remained non-transparent and hence failed to obtain informed consent or meaningful participation since the inception."

The Requesters' allegations of Bank actions and omissions in the design, appraisal and implementation of the Project, may constitute violations of various provisions of Bank Policies and Procedures, including Operational Directive (OD) 4.01 on Environmental Assessment; Operational Policy (OP) 4.04 on Natural Habitats; OD 4.20 on Indigenous People; OD 4.30 on Involuntary Resettlement; Operational Policy Note (OPN) 11.03 on Management of Cultural Property; OD/OP/BP 13.05 on Project Supervision; and BP 17.50 on Disclosure of Information.

MANAGEMENT RESPONSE

On October 19, 2004, Management submitted its Response to the Request. In this response, Management states that the construction of a spinal drainage system to dispose of excess water began in the 1960s to address the Indus Basin's drainage problems. Management also states that the NDP Project was driven by the thought that the lack of an effective drainage system was a threat to the sustainability of agriculture in the Basin. Management added that the NDP Project, "which marked a new concept in project design, was deliberately 'frontloaded' with an institutional and policy reform agenda and 'backloaded' with an investment program." Also, according to Management, the investment program's subprojects "are focused on rehabilitation, construction and improvement of on- and off- farm drainage; rehabilitation and modernization of irrigation systems; and operation and maintenance through performance-based contracts awarded to the private sector, including completion of some carry over projects from LBOD Stage I." Management states that it believes that the NDP Project is in compliance with many of the requirements for OD 4.01 (Environmental Assessment). Nevertheless, Management acknowledges that the Project failed to comply with the disclosure requirements

for BP 17.50 (Disclosure of Operational Information) "since the DSEA [Drainage Sector Environmental Assessment was not disclosed prior to appraisal at the Infoshop and no records of disclosure in country could be located." Management further states that OP 4.04 (Natural Habitats), OD 4.20 (Indigenous Peoples), and OPN 11.03 (Cultural Property) are not applicable to the Project. Because of a disagreement with the Government of Pakistan (GoP) over the resettlement Policy, IDA did not finance any subprojects involving resettlement and, therefore, OD 4.30 (Involuntary Resettlement) is not applicable. Management adds that a Bank-fielded Panel of Experts reviewed the 2001-02 prefeasibility study of the NSDS and recommended deferring it. The Bank and the GoP endorsed these recommendations. Management also added in its Response that the Bank will take three specific actions regarding the Project: (1) assemble a Panel of Experts to review ecological, hydrological, and water-quality monitoring data in the LBOD outfall area and propose a course of action; (2) conduct a diagnostic study of livelihood improvements in the area to determine the losses suffered and formulate an assistance program; and (3) assist the GoP with a Country Water Resources Assistance Strategy and a Strategic Country Environmental Assessment.

THE PANEL'S ELIGIBILITY REPORT/BOARD DECISION

The Panel submitted its Report and Recommendation to the Board on November 17, 2004. In this Report the Panel states that "the Request and the Requesters meet the eligibility criteria set forth in the Resolution that established the Inspection Panel and the 1999 Clarifications." The Panel also states that "the contradictions in the assertions of the Requesters and Management are substantial and bear close relation to the sources and extent of the harm alleged by the Requesters."

On December 8, 2004, the Board approved on a no-objection basis the Panel's recommendation to conduct an investigation into claims made by the Requesters. The Request, Management Response, and the Panel Eligibility Report were made public a few days later and are available on the Inspection Panel's Web site: http://www.inspectionpanel.org. As of the end of June 2005, the investigation was ongoing.

Requests Received in Fiscal 2005

Public Works and Employment Creation Project

(CREDIT NO. 3460-BU)

THE REQUEST

On September 17, 2004, the Panel received a Request for Inspection regarding the Public Works and Employment Creation Project in Burundi. The Request for Inspection related to issues concerning the lack of due process for procurement of services in a Project-related concession agreement, the termination of the concession agreement and alleged persecution against the legal representative of a party to the concession agreement, and alleged embezzlement and money laundering.

The Requesters considered that their rights and interests had been harmed because of the Bank's non-compliance with the following operational Policies and Procedures: OP/BP 13.05 Project Supervision; OP/BP 11.00 Procurement; Guidelines on procurement under International Bank for Reconstruction and Development (IBRD) loans and International Development Association (IDA) credits; Guidelines concerning the selection and employment of consultants by World Bank Borrowers.

The Panel did a preliminary assessment of the Request and found that it was inadmissible. The Panel considered that, in accordance with paragraph 14 (b) of the Panel's Resolution and its subsequent 1996 and 1999 Clarifications, the Request did not fulfill the eligibility criteria because it related to procurement. As stated in the 1996 Clarifications "[n]o procurement action is subject to inspection by the Panel, whether taken by the Bank or by a borrower. A separate mechanism is available for addressing procurementrelated complaints."

On September 29, 2004, the Panel notified the Requester, Executive Directors, and President. The Panel also forwarded the Requester's letter to the Department of Institutional Integrity and to the Procurement Policy and Service Group for their consideration.

REQUEST NO. 36

Forest Concession Management and Control Pilot Project

(CREDIT NO. 3365-KH AND TRUST FUND NO. 26419-JPN)

THE REQUEST

On January 28, 2005, the Inspection Panel received a Request for Inspection, dated January 21, 2005, relating to the Cambodia: Forest Concession Management and Control Pilot Project (FCMCPP). A nongovernmental organization (NGO), Forum on Cambodia, submitted the Request on its own behalf and on behalf of affected local communities living in the districts of Tbeng Meanchey in Preah Vihear Province; Siem Bok and Sesan in Stung Treng Province; and Anlong Veng in Oddar

BOX 2. PROJECT INFORMATION AT A GLANCE

Project Name: Cambodia: Forrest Concession Management

and Control Pilot Project

Region: East Asia and Pacific

Sector: Forestry, Central Government Administration

Environmental Category: B

IDA Credit Amount: US\$4.8 million

Board Approval Date: June 5, 2000

Effective Date: October 20, 2000

Closing Date: December 31, 2005

Meanchey Province, Cambodia. These four districts are located respectively in the concession areas of the companies Chendar Plywood, Samraong Wood, Everbright, and Pheapimex. The Request included two signed letters from representatives of affected communities and a report prepared by the NGO Global Witness for the affected communities at the request of their representative, the NGO Forum of Cambodia.

The Requesters claimed that "in its commissioning and supervision of the FCMCPP, the Bank has violated a number of its operational policies leading to harm or potential future harm to people living in the project-affected areas." The Requesters alleged that "through flawed project design and poor implementation the World Bank has promoted the interests of the logging concession system and concessionaires," even though "the companies have already caused harm to the forest-dependent communities and will continue to do so." They added that by assisting the companies in preparing sustainable forest management plans (SFMPs) and environmental and social impact assessments (ESIAs), the Bank is "using loan money to benefit logging companies that have a track record of timber theft, tax evasion and human rights abuses." This strengthens the companies' position, "making it even more difficult for adversely affected communities to

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hold them to account." According to the Requesters, both the design and the execution of the Project have contravened World Bank operational policies.

With respect to the Project's Environmental Assessment (EA), the Requesters claimed that the Bank should have categorized the FCMCPP as Category A instead of Category B. Moreover, they complained that the "the level of assessment was so low that it did not even conform to Category B standards." They criticized the Bank's choice "not to address environmental impacts at the pre-project planning stage" but to instead deal with them during the implementation phase. They concluded that if a proper assessment had been carried out, it is unlikely that the Bank would have decided to support the activities of the companies.

The Requesters claimed that "it is not clear what consultation, if any, took place before the project began" and that they were not invited to participate in any pre-project consultation process. According to the Requesters, when companies consulted affected people in late 2002 and early 2003, such consultations, the Requesters claimed, "were of a poor standard, with instances in which participants were subject to intimidation by guards and officials accompanying company representatives." Furthermore, the Request argued that the Bank did not ensure that the SFMPs and ESIAs were disclosed to community representatives in November 2002. Additionally, the Request claimed that the Bank violated OP 4.36 on Forests as it provided technical assistance to "undeserving" logging companies "to facilitate their future logging operations." They argue that the Bank did not try to challenge the problematic features of the concession system. The Requesters further maintained that no development plan outlining a clear definition of roles



for the government, the private sector and the local people for forestry conservation had been elaborated. In the Requesters' view, the FCMCPP had no institutional capacity.

The Request also complained that the Bank did not undertake an assessment that could have identified the Cambodian forests as "forests of high ecological value." They believed that the promotion of forest concessions in the context of the FCMCPP would lead to degradation of natural habitats, in violation of OP 4.04. Moreover, they asserted that indigenous people, notably the Kouy minority, would be directly affected by the logging concessionaires. The Requesters argued that an Indigenous Peoples Development Plan (IPDP) was necessary, and criticized the Bank's determination that no IPDP was required. According to the Requesters, the Bank also violated its policy on Cultural Property, because the six logging concessions areas approved under the Project "contain both spirit forests and sites of archeological importance that undoubtedly constitute cultural property," and no survey of these sites was carried out during Project preparation. They also alleged that the Bank failed to comply with OP/BP 8.40 on Technical Assistance, because of deficiencies in the work of the Technical Assistance (TA) consultants, such as assisting and advising logging companies that "should have been excluded" from the consultants' terms of reference, and refusing to take into account the prohibition under Cambodian Law on cutting resin-producing trees. These failures, according to the Requests, also violated the policy on supervision. In the Requesters' view, lack of supervision has accounted for many of the FCMCPP's damaging acts and omissions.

The claims may constitute violations by the Bank of various provisions of the following operational Policies and Procedures: OP/BP 4.01 Environmental Assessment, OP/BP 4.04 Natural Habitats (September 1995), OPN 11.03 Cultural Property, OD 4.20 Indigenous People, OP/BP 4.36 Forestry, OP/BP 8.40 Technical Assistance, OD/OP/BP 13.05 Project Supervision, and BP 17.50 Disclosure of Information.

MANAGEMENT RESPONSE

On March 8, 2005, Management submitted its response to the Request. The Response discusses a number of challenges encountered during implementation, such as issues related to the logging concession system and poor logging practices; log transport permits; a weak national forest revenue management system; and tensions among various stakeholders. Management emphasizes that the Bank addressed "a focused and prioritized set of issues," such as concession management, forest crime, and community forestry, but recognizes that, in retrospect, the Bank could have "played a more proactive role" in ensuring the involvement of local communities since the Project design phase. It also states that the Bank could have been more aggressive in voicing its concerns. Management challenges the allegations that the Bank promoted the interest of the logging concessions and the concessionaires and states that the FCMCPP tried to assist the Government of Cambodia to regulate the forestry sector in a "more effective and equitable" way. Management further rejects the allegation that the Bank ignored evidence of the concessionaires' illegal logging and claims that the Bank has supported studies and proposals to strengthen controls on illegal logging and log transport.

Management states that it made every effort to comply with its policies and procedures but recognizes not being "in full compliance with processing and documentation

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provisions of OP 4.01 and OD 4.20 during project preparation." Management believes, however, that the "lack of full compliance" with the policies did not have a material effect on the Project and did not cause, and will not cause, harm to Project-affected people. In addition, according to the Response, any harm the Requesters may have suffered was not caused by the Bank-financed FCMCPP.

According to Management Response, the decision to classify this project as Category B was correct, because the Project does not involve plantation activities or production forestry but rather capacity strengthening and forest crime monitoring and reporting. Management also states

that no EA was carried out before appraisal, because "no A-level EA process was required." However, according to the Response, the Project design incorporated measures to address the Project's environmental and social problems. Management recognizes that the only EA work undertaken during the Project's first four years was the ESIA that each concessionaire was required to prepare under Cambodian law. It acknowledges that there are still no "satisfactory standards" for the preparation of the ESIAs and that the 16 developed so far by the concessionaires "have been poor." As to the disclosure of the SFMPs and the ESIAs, Management responds that expectations of disclosure have not been managed properly. With respect to the claim that affected communities were not consulted, Management stated that "there were no consultations specific to the EA process." As to lack of consultations during the preparation of the ESIAs, the Response recognizes that the process of consultations was flawed but states that the Bank "monitored the consultation process" and pointed out its weaknesses to the Government of Cambodia.

Management reiterates that the Project does not finance logging operations, including in high ecological value areas, nor have the concessionaires received any Bank funds. Management emphasizes that it complied with OP 4.04 because "[n]o degradation of critical habitats has occurred due to the project."

As to the Kouy indigenous peoples, Management acknowledged that the Bank was not in full compliance with OD 4.20. No IPDPs were prepared under the Project, because "Indigenous Peoples issues were to have been embedded in the SFMPs and ESIAs prepared by the concessionaires." According to Management, criteria and guidelines for community engagement in concession areas with local people were developed under the Project as part of the general consultation process. A social forestry consultant is preparing revised consultation guidelines to address indigenous peoples as well as the protection of cultural and spiritual resources.

Management further believed it has complied with the Bank policy on Project Supervision. Management emphasizes that it has supervised the project intensively. Manage-

ment Response includes a "next step" section with proposals to be taken before project closure, and over the longer term. Among these, Management includes the supervision of the ongoing work and facilitation of a transition from an international monitor to a participatory system of forest crime monitoring.

THE PANEL'S ELIGIBILITY REPORT/ BOARD DECISION

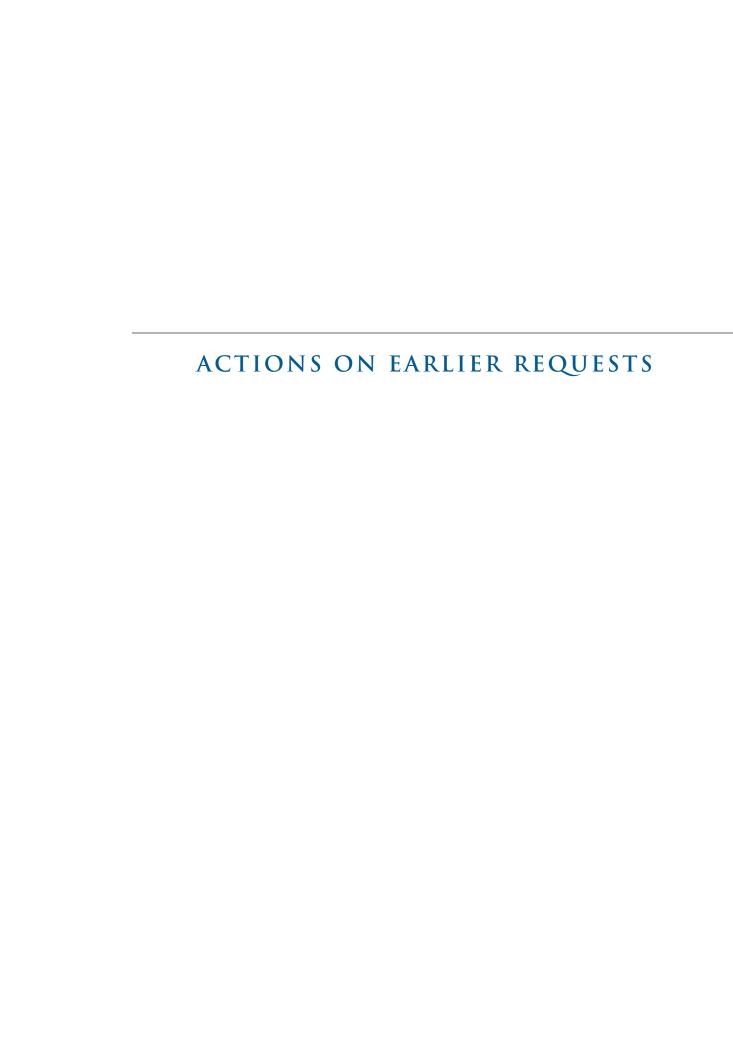
The Panel found that the Request and Management Response contain conflicting assertions and interpretations about the issues, the facts, and compliance with Bank policies and procedures. The Panel submitted its Eligibility Report to the Board on April 4, 2005. On April 14, 2005, the World Bank's Board of Executive Directors approved on a no-objection basis the Panel's recommendation to conduct an investigation into claims made by the Requesters. The Request, Management's Response, and the Panel's Eligibility Report are available on the Inspection Panel's Web site: http://www.inspectionpanel.org.

THE INVESTIGATION PROCESS

As authorized by the Board, the Panel started to carry out an investigation into the matters alleged in the Requests. As of the end of June 2005, the investigation was ongoing.

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Mumbai Urban Transport Project

(LOAN NO. 4665-IN; CREDIT NO. 3662-IN)

BOX 6. PROJECT INFORMATION AT A GLANCE

Project Name: India: Mumbai Urban Transport Project

Region: South Asia

Sector: Railways, Roads and Highways,

Other Social Services

Environmental Category: A

IBRD Loan Amount: US\$463 million
IDA Credit Amount: US\$79 million
Board Approval Date: June 18, 2002
Effective Date: November 6, 2002
Closing Date: June 30, 2008

THE REQUESTS

The Inspection Panel received a Request (No. 32) for Inspection, the "First Request," related to the Mumbai Urban Transport Project (MUTP) on April 28, 2004, and registered it on April 29, 2004. The Request was submitted by members of the United Shop Owners Association (USOA), a nongovernmental organization (NGO) in the city of Mumbai, India, on its own behalf and on behalf of 118 residents of Mumbai who claimed to be adversely affected by the Project. The Requesters are small shop owners whose commercial

premises are located in the Kismat Nagar area, Kurla West, in the city of Mumbai.

On June 24, 2004, the Panel received a second Request for Inspection (No. 33), related to the same Project, the "Second Request." The Panel registered it on June 29, 2004. This Second Request was submitted by three NGOs located in the city of Mumbai—the Hanuman Welfare Society, the Gazi Nagar Sudhar Samiti, and the Jai Hanuman Rahiwasi Sewa Sangh—on their own behalf and on behalf of about 350 residents living in the area known as Gazi Nagar in the Kurla West District of Mumbai. On June 29, 2004, the Panel sent to the Board of Executive Directors a recommendation to approve submitting a single Report and Recommendation on whether an investigation of the issues raised in either the First or Second Requests (or both) was warranted. The Board approved the Panel's recommendation on a non-objection basis on July 13, 2004. On November 1, 2004, the Panel received a letter from the Aman Chawl Welfare Association asking that the Association be added to the second group of Requesters.

On November 29, 2004, the Panel received a third Request for Inspection related to the Project, the "Third Request." This Request was submitted by a local NGO, the Bharathi Nagar Association, on their own behalf and on behalf of the residents living in the area known as Bharathi Nagar in Mumbai. Shortly after, on December 23, 2004, the Panel received a fourth Request for Inspection related to the MUTP, the "Fourth Request." This Fourth Request was submitted by a local NGO, Ekta Wyapari Jan Seva Sangh, acting on its own behalf and on behalf of residents and shopkeepers of the area of Bandrekar Wadi, Bhavbani Chowk in the Jogeshwari district of Mumbai. Fifty-eight members of this organization who live in this area signed the Request. On December 29, 2004, the Panel notified the Executive Directors, the President, and Management that it had received the Third and Fourth Requests. After careful review of the Third and Fourth Requests, the Panel recommended that, for reasons of economy and efficiency, these two Requests should be processed jointly with the two previous Requests, because they all related to the same component of the Project. The Board approved the Panel's recommendation on a no-objection basis on January 11, 2005. On January 24, 2005, the Inspection Panel received a letter from the Pratap Nagar Welfare Association, an NGO located in the area called Pratap Nagar, representing 41 residents and shopkeepers asking to be added to the Fourth Request.

The Project provides, among other things, for improving two major east-west road links in Mumbai and for resettling those persons affected by the construction of this component. Two portions of the east-west road links, the 6 km Santa Cruz-Chembur Link Road (SCLR) and the 11 km Jogeshwari-Vikhroli Link Road (JVLR), were the subject of the Request. The first three Requests focused on issues related to the SCLR, the Fourth Request addressed the JVLR. In terms of substance, the Requests were similar and alleged violations of Bank operational policies and procedures. The Requesters claimed that they would suffer adverse effects as the result of the Bank's negligence and failure to follow its operational policies and procedures with respect to Project design and their being relocated. More specifically, the Requesters claimed that the Project-caused relocation would result in harm, including lack of adequate income restoration, and that this failure would destroy their livelihoods, causing them to dismantle their productive sources and cause their supporting networks and kin groups to disperse. Particularly, the shopkeepers among the Requesters feared that they would suffer irreparable damage to their well-established businesses. The Requesters argued that their structures had not been surveyed properly and expressed disagreement with the Project Resettlement and Rehabilitation (R&R) scheme that entitles them to an area of 225 square feet regardless of the actual area of their current premises consumed by the Project. Some of the Requesters objected to the classification of their current area as a slum and the application of the Slum Rehabilitation Scheme.

Under the Project, the first three Requesters are to be moved to a resettlement site called Mankhurd. In their Requests, they objected to being removed to this site, arguing that the site would be unsuitable and too far away from their current location. Instead, they asked to be relocated to alternative sites. They also complained about the environmental condition of the resettlement site in Mankhurd, alleging that it is considered among the highest polluted areas in Mumbai and is located near the main municipal dump. In terms of the construction and design of the buildings at the proposed resettlement site, the Requesters described them as being of bad quality and inviting health-related problems, hazards, and social troubles. They also challenged the affordability of

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the maintenance charges of the new buildings. With regard to the JVLR component, the Fourth Requesters also alleged that thousands of trees had been cut unlawfully in the Project and not been replaced or replanted. Furthermore, the Requesters asserted that they were never consulted or given an opportunity to participate at any stage of project planning or R&R and that their attempts to raise their concerns and grievances were not successful. They claimed that the Bank had failed to disclose information to them and that the Project Public Information Centers (PICs) were not properly working. They also expressed their concerns about Bank supervision.

MANAGEMENT RESPONSE

Management submitted two responses in which it claimed compliance with Bank policies and procedures. In its Response to the First Request (the "First Response"), sent to the Panel on May 27, 2004, Management explained that the Bank had requested changes to the original R&R Policy to bring it into line with Operational Directive (OD) 4.30. The First Response also noted that the R&R component of the Project estimates the numbers of affected houses at 23,000 and the number of affected shops at 3,000, or approximately 120,000 people. Before this, the expected number of affected households and businesses included in the R&R component was only 19,200. Management attributed this increase to more detailed assessments being carried out and to changes in the scope of certain sub-projects. Overall, Management held that implementation of the R&R component had gone well. However, it acknowledged that unlike relocation of small, household-based shops, middle-sized business relocation poses more complex problems. With regard to the Requesters' allegations concerning the income restoration scheme and the Bank's violation of its policies and procedures on involuntary resettlement, Management stated that the measures for economic rehabilitation described in the Resettlement Action Plan (RAP) were consistent with the provisions of the Borrower's R&R Policy. However, Management recognized the need of the local authority to carry out a survey to determine whether income restoration was achieved a year after the allotment of alternative shops. With regard to the Requesters' entitlement to an area of 225 square feet, regardless of the actual area of their current premises consumed by the Project, Management argued that the maximum size limit had to be set because of limited space availability and high land costs in Mumbai. Concerning the survey of the actual area of the USOA Requesters' shops, Management contended that an on-the-ground survey to measure the size of affected shops had been conducted. As to the Requesters' objection to the choice of Mankhurd as a relocation area and their preference for an alternative site, Management explained that other sites were either not suitable or not available. In Management's view, the Mankhurd site constituted one of the best options available, mainly because of its infrastructure and its proximity to a railway station. Management claimed that it expected the living conditions at the new site to be considerably better than at present and that the Requesters would be able to pay the expected maintenance charges with the interest resulting from a one-time grant that would be paid to them. Management emphasized that several consultations were held during which the resettlements and impacts were discussed and that consultations would be held on an ongoing basis. It stated that resettlement documents were available at the on-site PIC. According to Management, supervision has been carried out regularly with a high-level interdisciplinary team of Bank staff and the Bank has allocated a high supervision budget.

On July 28, 2004, Management submitted its response to the Second Request (the "Second Response"). As in the First Response, Management expressed its satisfaction with the general implementation of the R&R component of the Project. However, with regard to the grievance process, Management acknowledged that the process needed to be strengthened. Although Management rated the implementation progress, despite its delays, as satisfactory, it rated safeguard management performance as unsatisfactory, in substantial part, because of deficiencies in reporting and lack of timely handling of grievances. Again, Management underlined that it expects living conditions at Mankhurd to be considerably better than the conditions to which the Requesters are currently exposed. It stated that it was not aware of any information showing that the Mankhurd site is excessively polluted or is at risk of being polluted. As for resettlement site alternatives, Management saw a lack of availability of resettlement site options. Options for alternative highway alignments were also limited. On income restoration, Management did not anticipate a significant impact on the residents with regard to loss of jobs and houses and assumed that opportunities for supplemental income will be replaced by similar ones in the resettlement area. It also believed that the social and economic network and kin groups of the project-affected people (PAPs) would be largely retained in the new location. As to the buildings at the new site, Management said that these had been approved



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by the competent authorities and that maintenance charges and taxes could be paid with the interest rate of a one-time grant. Management considered that the supervision of resettlement had been regular and intensive through Delhi-based supervision complemented by assistance from headquarters. However, Management identified several issues that needed urgent attention and required follow up, among other things, establishing cooperatives and completing of other post-resettlement activities in the housing areas; strengthening implementation capacity in Mumbai Metropolitan Region Development Authority (MMRDA); improving the dialogue and focusing on problem solving with shopkeep-

ers; and strengthening the grievance redress procedures. Management stated that a series of consultations had been held during Project preparation and that PAPs were still consulted on an ongoing basis. It referred to consultations at the resettlement site on the draft layout/plan, building plans, and proposed site amenities, and stated that the feedback from PAPs was incorporated in the final designs. Nevertheless, Management recognized the lack of specific consultations to discuss alternatives for alignment or structural design, except consultations for R&R purposes and insufficiencies in documentation of the overall consultation process and the outreach process to the Requesters. It added that the Bank would work on an amelioration of the situation. Management agreed with the Requesters' critique about the condition of the PICs but stated that conditions had been and will further be improved. Overall, Management acknowledged that consultations as well as communication of the grievance procedures have not been adequate and that the grievance mechanism itself needs to be improved.

THE PANEL'S ELIGIBILITY REPORT/BOARD DECISION

The Panel found the first two Requests and Requesters eligible, and as previously approved by the Board, submitted one single report recommending an investigation to the Board on September 3, 2004. On September 24, 2004, the Board approved the Panel's recommendation to conduct an investigation into the matters alleged in the Requests for Inspection. The Requests, Management's Responses, and the Panel's Eligibility Report are available on the Inspection Panel's Web site: http://www.inspectionpanel.org. During its visit to Mumbai in February 2005, the Panel also verified the eligibility of the Third and Fourth Request.

As authorized by the Board, the Panel has investigated the matters alleged in the Requests. To do so, the Panel retained specialized consultants and visited the Project area. The Panel interviewed the Requesters, Bank staff, and others, and reviewed extensive Project documentation. As of the end of June 2005, the investigation was nearly complete.

REQUEST NO. 31

Cartagena Water Supply, Sewerage, and Environmental **Management Project**

(LOAN NO. 4507-CO)

THE REQUEST

On April 20, 2004, the Inspection Panel received a Request for Inspection dated April 19, 2004, from members of a Colombian nongovernmental organization (NGO), Corporación Cartagena Honesta. The Request was filed on behalf of the NGO and 125 Punta Canoa residents, 139 Arroyo de Piedra residents, 41 Manzanillo residents, and 119 Cartagena residents. The Panel registered the Request on April 22, 2004.

The Requesters claimed that they and the communities they represented had been

harmed and were likely to suffer further harm from certain components of the Cartagena Water Supply, Sewerage, and Environmental Management Project, which was partially financed by a World Bank loan of US\$85 million.1 According to the Request, the Project involved the upgrading and expansion of Cartagena's water and sewerage system, including construction of a 23.85 kilometer pipeline and submarine outfall that would carry the untreated wastewater from the city and discharge it into the Caribbean Sea at a point about 2.5 kilometers from the coastal fishing villages of Punta Canoa.

The Requesters claimed that the Bank failed to identify affected communities as indigenous and that it also failed to safeguard their livelihood, which relied on fishing and farming for subsistence living. The Requesters raise concerns about the impact of the Project on their culture and way of life, as well as the impact of pollution on their health. The

BOX 5. PROJECT INFORMATION AT A GLANCE

Project Name: Colombia: Cartagena Water Supply, Sewerage,

and Environmental Management Project

Region: Latin America and Caribbean

Sector: Sewerage, Sanitation, Water Supply,

Subnational Government Administration

Environmental Category: Α

US\$85 million equivalent IBRD Loan Amount:

Board Approval Date: July 20, 1999 Effective Date: January 19, 2000 Closing Date: June 29, 2007

¹ All dollar amounts are U.S. dollars unless otherwise indicated.

Request noted that "the potential for this constant deluge of untreated urban wastewater to cause pathogenic and chemical contamination of the coastal waters is very high." The Requesters were also concerned about a possible sudden rupture of the pipeline caused by a geological condition that may exist in the outfall site. Known as diapirism, the condition is characterized by the sudden and violent expulsion of mud and gases. The Requesters further raised concerns about the design of the Project's environmental assessment and the Bank's consultation of locally affected people. They raised concerns about the Bank's scrutiny of the economic investment and environmental risk evaluations of the proposed submarine outfall, and of alternative solutions to Cartagena's sanitation problems, and about the Bank's supervision of the Project. The Requesters claim that they have attempted to bring the problems associated with the Project to the attention of Bank Management with no satisfactory response. The Requesters finally consider that the Project will place undue fiscal strain on the city of Cartagena and that it could violate Colombia's international obligations under the 1983 Cartagena Convention on Land-Based Sources of Pollution and the related 1999 Aruba Protocol.

The Requesters asked the Inspection Panel to recommend a full investigation to the Board of Executive Directors on the matters alleged in the Request. They requested, "that the Bank stop disbursing funds to this project until an investigation has been completed and an appropriate remedy adopted." They further asked, "that any proposals made by Bank management as a result of an investigation require full and honest consultation with all affected communities."

The Requesters claimed that "the Bank has failed to observe or has otherwise violated" various provisions of the following operational Policies and Procedures: OD 4.01 on Environmental Assessment, OD 4.04 Natural Habitats, OD 4.07 Water Resources Management, OD 4.15 Poverty Reduction, OD 4.20 Indigenous People, OP/BP 10.02 Financial Management, OP/BP 10.04 Economic Evaluation of Investment Operations, and OD/OP/BP 13.05 Project Supervision.

MANAGEMENT RESPONSE

On May 21, 2004, Management submitted its response to the Request. Management claimed that the Bank correctly applied its policies and procedures and that the Project will not cause any harm to the marine environment or to human health. As a result, according to Management, the Requesters' rights have not been, nor are likely to be, adversely affected by a failure of the Bank to follow its own policies and procedures.

Management contended that the Environmental Assessment (EA), as well as the process of preparing the EA, for the wastewater treatment plant, the land conveyance system, and the submarine outfall complies with OD 4.01. Management notes that the EA was based on a Feasibility Study for Wastewater Treatment and Disposal, which addressed issues of human health and the marine environment, and assessed the impacts of the Project on the coastal zones, including those near Punta Canoa, Arroyo de Piedra, and Manzanillo del Mar, and those near Cartagena. This Feasibility Study analyzed, from the technical, economic, environmental, and social perspectives, a comprehensive set of alternatives combining different treatment and final disposal sites, including all but one of the options proposed by the Requesters.



Management added that a set of precautionary measures was designed to mitigate potential negative impacts, such as intensive monitoring; chlorination installations; and a contingency plan for the collection, treatment, and disposal of wastewater. Regarding the Requesters' allegations of hazardous geological conditions in the area of the outfall, Management stated that not only did the Feasibility Study and EA analyze the issue, but also additional studies confirmed that the risk of diapirism, or mud volcanism, in the area is low. As to the issue of inadequate consultations raised by the Requesters, Management claims that consultations were conducted in compliance with OD 4.01 and that, during project preparation, a participatory approach was used.

In response to the claim that the communities living in the north zone of Cartagena are indigenous peoples, Management claims that these communities do not meet the criteria set forth in OD 4.20, and thus, there was no need to develop an Indigenous Peoples Development Plan during Project preparation. Nonetheless, Management claims that consultations with these communities were conducted as part of the Social Assessment process, and to prepare the Social Impact Mitigation and Community Development Program, and that the concerns expressed by the affected people were reflected in the Project design. The Response also stated that the Project complies with OD 4.15 on Poverty Reduction, as the communities of Punta Canoa, Arroyo de Piedra, and Manzanillo will benefit from the provision of water and sanitation services, a new wastewater disposal system to reduce contamination and improve the environment, and support for community development and organization.

Regarding Project financial management, Management stated that "the work carried out in project preparation and supervision is in line with good practice on financial

analysis," and this work has demonstrated that "the risk that the District of Cartagena would default on its debt service obligations for the project is small."

Management stated that "the supervision of the project has been thorough and in compliance with OD 13.05 and OP/BP 13.05." The Response added that the Bank has conducted 13 missions to the Project area; reviewed quarterly Project Management Reports, which *Aguas de Cartagena*, *S.A. E.S.P.* (ACUACAR) prepared and submitted; and participated in several consultation.

THE PANEL'S ELIGIBILITY REPORT/BOARD DECISION

The Panel completed and submitted its Report and Recommendation to the Board on June 22, 2004, recommending that an investigation be conducted. On July 13, 2004, the World Bank's Board of Executive Directors approved, on a no-objection basis, the Panel's recommendation to conduct an investigation into the claims made by the Requesters about certain aspects of the Project. The Request, Management's Response, and the Panel's Eligibility Report are available on the Inspection Panel's Web site: http://www.inspectionpanel.org.

THE PANEL'S INVESTIGATION REPORT

As authorized by the Board, the Panel conducted its investigation of the issues alleged in the Request for Inspection. On June 24, 2005, the Panel submitted the Investigation Report to the Board of Executive Directors.

The purpose of the investigation was to establish whether the Bank complied with its own policies and procedures in the design, appraisal, and implementation of the Colombia: Cartagena Water Supply, Sewerage and Environmental Management Project, and whether, if instances of noncompliance were found, they caused, or were likely to cause, harm to the Requesters and the people they represent. To assist in its investigation, the Panel hired six consultants, who are internationally recognized specialists in environmental assessment, hydrology, marine outfalls, indigenous peoples, and economic analysis and financial issues. In October 2004, the Panel team visited the Project area and met a number of Project stakeholders, including the Requesters and other citizens of Cartagena, national and local government officials, and ACUACAR officials. The Panel conducted interviews with Bank management and staff in Washington, D.C., before and after visiting the Project-affected area, and identified and carefully reviewed all relevant Project documents.

In six weeks from receiving the Panel's investigation report, Management must submit to the Board of Executive Directors its Report and Recommendations in response to the Panel's findings.

PARAGUAY AND ARGENTINA

REQUEST NO. 26

Paraguay: Reform Project for the Water and Telecommunications Sectors

(LOAN NO. 3842-PA)

Argentina: SEGBA V Power Distribution Project

(LOAN NO. 2854-AR) (SUPPORTING THE YACYRETÁ HYDROELECTRIC PROJECT)

THE REQUEST

On May 17, 2002, the Inspection Panel received a Request for Inspection related to the Reform Project for the Water and Telecommunications Sectors and the SEGBA V Power Distribution Project, which partially finance the Yacyretá Hydroelectric Project. The Request was submitted by the Federación de Afectados por Yacyretá de Itapúa y Misiones (FEDAYIM), a local nongovernmental organization (NGO), on behalf of itself and more than 4,000 families affected by social and environmental impacts of the Yacyretá Hydroelectric Dam, as well as by six coordinators of affected people in various area districts. The Panel registered the Request on May 30, 2002.

BOX 4. PROJECT INFORMATION AT A GLANCE

Project Name: Argentina: SEGBA V Power Distribution Project;

Paraguay: Reform Project for the Water and Telecommunication Sectors (both partially financed the Yacyretá Hydroelectric Project)

Region: Latin America and Caribbean

Sector: Electric Power and Other Energy/Hydro

Environmental Category: A

IBRD Loan Amount: US\$276 million equivalent;

US\$46.5 million equivalent

Board Approval Date: June 23, 1987 (Loan Agreement signed on

June 30, 1988); February 14, 1995

Effective Date: September 30, 1988; October 13, 1995
Closing Date: October 30, 2002; December 31, 2003

The Request claimed that more than 4,000 families living in the areas directly affected by the Yacyretá Hydroelectric Project suffered adverse social and environmental consequences, because of the raising of the Yacyretá power plant's reservoir to 76 meters above sea level (masl) or, allegedly, higher. The Requesters claimed that the raising of the reservoir to its current level (76 masl) had severe environmental impacts, such as constant flooding of urban creeks and spreading of diseases. In addition, according to the Requesters, the families affected by the raising of the reservoir were neither appropri-

ately identified nor adequately quantified. As a result, thousands of them were excluded from existing compensation and mitigation programs. In the Requesters' view, the resettlement programs were not being properly implemented. Hundreds of affected families and businesses received no or inadequate compensation, were moved to poor resettlement housing and facilities, and still endured prolonged economic hardship.

MANAGEMENT RESPONSE

On July 10, 2002, the Panel received Management Response to the Request for Inspection. Management asserted that it complied with all relevant Bank policies and procedures and that it tried to address all social and environmental concerns of the people living in the project areas. It acknowledged, however, that the Project's implementation encountered serious problems over the years and that these have yet to be fully resolved. Management emphasized that there was no causal relationship between a number of the problems documented in the Request, such as the urban creek flooding, and the raising of the reservoir's level to the current 76 masl. With respect to the urban creeks flooding, Management pointed out that such flooding was due to hydrological conditions that predated the Yacyretá Project. The Response also stated that appropriate compensation and adequate resettlement have been provided to all the affected families and businesses that were identified through censuses conducted in 1980 and 1990. Furthermore, in Management's view, its supervision of the Yacyretá Project since 1997 had been thorough, with particular attention paid to the social and environmental concerns.

THE PANEL'S ELIGIBILITY REPORT/BOARD DECISION

The Panel found both the Request and the Requesters eligible and submitted its report recommending an investigation to the Board on August 23, 2002. The Board approved the Panel's recommendation for an investigation on a no-objection basis on September 9, 2002. The Request, Management's Response, and the Panel's Eligibility Report are available on the Inspection Panel's Web site: http://www.inspectionpanel.org.

THE PANEL'S INVESTIGATION REPORT

On February 24, 2004, the Panel submitted its investigation report to the Board of Executive Directors for their consideration. During its investigation the Panel retained three expert consultants specializing respectively in hydrology, environmental science, and sociology/anthropology. The Panel reviewed extensive project documentation, interviewed the Requesters, Bank staff, local and national authorities, *Entidad Binacional Yacyretá* (EBY) officials and other relevant persons, and visited the Project on four occasions. The investigation report addresses the Requesters' concerns under three main headings: environmental compliance, social compliance, and compliance with the Bank policy on Project supervision. The Panel found that while the Bank complied with its policies and procedures in some areas of concerns, it failed to comply with Bank policies and procedures with respect to other important issues.



The Panel found the Project Environmental Assessment inadequate, because it did not properly access the effects of the population growth and of the resettlement sites on the city's infrastructure, and did not it evaluate the implications of this for water supply, sewerage, and urban drainage. It found also that no environmental assessment had been prepared for the resettlement sites. This lack of evaluation contributed to creating a new category of affected people, that is, the host population at the resettlement sites who, in some cases, suffered negative impacts from inadequate design and construction of these sites, such as flooding of their houses. The Panel also found that the reservoir is not the cause of the creek flooding, which is mainly caused by local conditions such as upstream urbanization, lack of urban storm water drainage, and waste accumulation impeding water flow in the creeks, in that order. However, the Panel also showed that the Requesters' contention that the reservoir is frequently operated above the 76 masl, which was set by the legal agreements between the countries and the Bank, is correct, although the excess is limited to 1 masl or less. The Panel also found that the Yacvretá reservoir was not the cause of the water contamination raised by the Requesters and undoubtedly present in the area or of the health problems.

With respect to the social issues, the Panel found persuasive evidence that some people were erroneously omitted from the census of 1990. The Panel found that no transparent and credible grievance procedure was available for the people to present claims about their exclusion from the census or any other concern they may have regarding their situation or entitlements, which did not comply with Operational Directive (OD) 4.30. In addition the Panel found that many people were extremely confused about their

rights and about when they would be moved and compensated. The Panel report further called attention to the extraordinary amount of uncertainty and lengthy delays related to the projected raising of the reservoir level, which has caused hardship to many people.

The Panel report also focused on the Bank's supervision of the Project. The Panel found that, with respect to the supervision of the environmental components of the Project, Management was in compliance with most requirements of OD and OP/BP 13.05; but not with regard to supervision of the resettlement activities.

The Panel report noted that there is an urgent need to make a final decision on the level of the reservoir and that such decision has associated economic and social costs. The Panel pointed out that any determination as to whether and to what level to raise the operating level of the reservoir will directly affect the Bank's ability to bring the project into compliance with Bank policies and procedures.

MANAGEMENT REPORT AND RECOMMENDATION IN RESPONSE TO THE PANEL'S FINDINGS

On April 6, 2004, Management submitted to the Executive Directors its report and recommendation in response to the Panel's Investigation Report. Management Report includes an action plan developed to address the instances of non-compliance with Bank policies and procedures that the Panel found during its investigation. Management acknowledged the Panel's findings, in particular, with respect to the environmental issues, the lack of proper assessments of resettlement sites, and the hardship to the affected people caused by long implementation delays. Management asserted that it would continue supervising the Project until Loan 3520-AR is fully repaid (2009) because of the complexities of the Project and of the need to complete several environmental and social activities required by the Project's legal agreements. Management's Action Plan focused on three main areas: working with EBY on the social communication program; working with EBY on improved, fair, transparent, and efficient grievance procedures; and implementing an enhanced supervision strategy.

THE BOARD DECISION

On May 6, 2004, the Bank's Executive Directors met to discuss the Panel's Investigation Report and Management Report and Recommendations. The Board commended the Inspection Panel for its thorough report. It also approved Management's recommendations on how to address the issues identified by the Panel, and Management's proposal to submit a progress report to the Board—in 90 working days from the Board meeting—that would detail addition remedial measures for the outstanding problems. This progress report would include progress made in the implementation of the Bank's action plan and the additional measures identified, including (1) those addressing the social and economic impacts of the project and the measures taken with respect to the 2,416 families already relocated and the 6,000 families waiting to be relocated in Paraguay; (2) progress on grievance procedures; (3) actions of the Inter-American Development Bank (IDB) with respect to Yacyretá; (4) collaboration between the IDB and the Bank on issues identified

during the Inspection; and (5) decisions taken with respect to the reservoir's water level and its potential impacts. The Board also requested that the Panel, on its behalf, review and assess Management's action plan and the additional implementation measures. After the Board meeting, the Panel returned to the Project area to explain and discuss the Panel's findings with the Requesters and the people they represented. The Panel noted its continuing role in assessing Management's actions. Thus, for the first time in its 10-year history, the Panel's role in the context of a Request for Inspection has continued after the submission of the investigation report to the Board to help ensure that Management follows through on its action plan and to continue a dialogue with the people affected by a Bank-financed project.

MANAGEMENT PROGRESS REPORT

On August 6, 2004, Management submitted its first Progress Report. With regard to environmental issues, Management reported that the Bank had assisted EBY in updating the screening procedures for the civil works at existing and future resettlement sites and that it urged EBY to address the pending drainage issues in Arroyo Porá. With respect to monitoring the level of the reservoir, according to the Management Progress Report, the Bank contracted the University of La Plata, Argentina (Universidad Nacional de La Plata, UNLP), for a period of five months to "monitor the reservoir level and to confirm that the reservoir is operated in accordance with the Operational Manual." With respect to the sewerage system, Management stated that construction of a wastewater treatment plant for the city of Encarnación was under way, with completion tentatively planned for 2006. The progress report also added that the Bank had urged the IDB to fund the sewerage system in the northern zone of the city. With regard to the establishment of a grievance mechanism, according to Management, the Bank supported EBY to do so through consultations and by commissioning a study on the various forms that the mechanism could take; the IDB agreed to finance the improvements in the mechanism. With respect to other social issues, Management stated that it had assisted in the design of a social communications program to inform the public about the Project and that it planned to provide training as the governments of Argentina and Paraguay revise their resettlement and rehabilitation plans. According to Management, brick makers had continued access to EBY's clay deposits. Management also reported that three funds had been established by the World Bank and the Government of Paraguay to support productive projects initiated by those who were resettled. While noting that many of these activities will take a year or more to complete and that the Bank cannot control many of these activities, Management said that "the Bank will continue to supervise the Project intensively."

INSPECTION PANEL REVIEW OF MANAGEMENT PROGRESS REPORT ON IMPLEMENTATION OF THE MANAGEMENT RECOMMENDATIONS AND ACTION PLAN, AND ADDITIONAL IMPLEMENTATION MEASURES

On February 7, 2005, the Inspection Panel submitted to the Board its Review of Management Progress Report on Implementation of the Management Recommendations

and Action Plan, and Additional Implementation Measures. The Panel praised Management's cooperative approach but found that many "costly social and environmental activities have yet to be completed before the water level of the Yacyretá reservoir is raised further." The Panel also noted that many activities still needed Bank's support and "would benefit from close supervision and more participation of the Bank's social and urban specialists." With regard to environmental issues, the Panel welcomed the Bank's engagement of UNLP, the Argentinean University, to conduct the independent monitoring of the reservoir's water level; however, the Panel found that the results of such monitoring were incomplete and could not easily be understood on the Web site. More important, the Panel noted that, as of January 2005, there was no independent monitoring follow-up plan in place. The Panel also noted uneven progress in implementing the Encarnación sewerage system, especially as financing of the house connections and coverage in the northern part of the city were still uncertain matters. Moreover, the Panel found that the plans and drawing of the sewerage system had been made public, but copies of these documents were not available for review outside of the official office. The Panel further noted still unresolved issues with drainage channels in the Arroyo Porá resettlement site. With respect to social issues, the Panel noted the Bank's effort to help establish an independent grievance mechanism, but also observed that the mechanism did not include an independent claim adjudication procedure and, during its preparation, the Bank did not consult with affected people. A remaining concern for the Panel was also the situation of the brick makers, because the people interviewed by the Panel's consultants during their visit to the Project area still did not clearly know whether they had access to clay deposits in EBY's properties. In addition, the Panel commented that affected people had not been involved in developing the new social communication program and that still many problems, such as delays and cumbersome eligibility criteria and procedures, affected the implementation of funds for productive projects. Finally, given the project's complexity, the Panel suggested that semi-annual reports from Management could be more appropriate than an annual one.

The Inspection Panel Investigation Report, the Management Report and Recommendation in Response to the Inspection Panel Investigation Report, the Management Progress Report on Implementation of the Management Recommendations and Action Plan, the Inspection Panel Review of Management Progress Report on Implementation of the Management Recommendations and Action Plan, and Additional Implementation Measures are available on the Inspection Panel's Web site: http://www.inspectionpanel.org.

REQUEST NO. 23

Coal Sector Environmental and Social Mitigation Project

(CREDIT NO. 2862-IN)

THE REQUEST

The Panel received the Request for Inspection on June 21, 2001, and registered it on June 22, 2001. Chotanagpur Adivasi Sewa Samiti (CASS), a local nongovernmental organization (NGO) in the East Parej coal mining Project area, submitted the Request on behalf of residents in the Project area. The Request exclusively concerned the preparation and implementation of the Coal Sector Environmental and Social Mitigation Project (CSESMP) for the Parej East opencast mine, one of the

BOX 3. PROJECT INFORMATION AT A GLANCE

Project Name: Coal Sector Environmental and

Social Mitigation Project

Region: South Asia

Sector: Energy and Mining, Other Social Services

Environmental Category: A

IDA Credit Amount: US\$63 million
Board Approval Date: May 16, 1996
Effective Date: July 23, 1996
Closing Date: June 30, 2002

25 mines slated to receive financial support for the expansion of the mines and other objectives under the Coal Sector Rehabilitation Project (CSRP). Parej East is owned by Central Coalfields Limited (CCL), a subsidiary of Coal India.

The Requesters claimed that their rights and interests had been harmed as a result of the Bank's violations of its policies and procedures on involuntary resettlement, indigenous peoples, environmental assessment, disclosure of operational information, management of cultural property, and project supervision. They claimed that they had suffered harm as a result of failures and omissions by the International Development Association (IDA)¹ in implementing the CSESMP in the Project area. The Requesters claimed that their rights to participation and consultation were effectively denied, and that their attempts to raise their concerns were not successful. In particular, they claimed that failure to provide income restoration had resulted in significant harm, destroying their livelihoods, causing them to live in resettlement colonies without legal title to land, dismantling their productive sources, and dispersing their supporting networks and kin groups.

¹ Hereinafter referred to as the Bank.

The Requesters also alleged that they suffered increased illnesses because of the pollution of water sources and wells in the resettlement colonies; that they had no medical services to handle the increased illnesses, despite the building of a dispensary; and that they lacked the capability to acquire other services, such as education. They also alleged that the self-employment schemes—which the Bank had guaranteed would compensate them for the loss of land and livelihood—had failed, and they were unable to participate in the new economy around the mines. Nonetheless, they asked Bank Management and the Board to extend the Project, requesting that the remaining money be targeted toward the restoration of their livelihoods and toward environmental remediation.

MANAGEMENT RESPONSE

Management submitted its Response to the Panel on July 20, 2001, stating that the Bank had complied with the relevant policies and procedures related to the design and implementation of the Project. They acknowledged that resettlement in Parej East had a number of unresolved problems, although conditions had improved. Nevertheless, economic rehabilitation remained unsatisfactory. For this and other reasons related solely to the implementation of the CSRP, the CSRP had been canceled at the request of the Borrower. Yet, because the purpose of the CSESMP was to mitigate impacts of the CSRP and to strengthen Coal India's capacity to manage such mitigation issues, the Bank had decided to "continue to actively work with Coal India to help develop practical solutions to improve environmental and social mitigation at the mine and corporate level, and to achieve compliance with Bank policies."

Management maintained that it had devoted full attention to the intense supervision effort required by the scale and complexity of the CSESMP's physical, mitigation, and institutional activities. It further asserted that consultations were adequate, although it acknowledged that CCL did not consult the Project-affected people (PAPs) before it introduced changes on eligibility and entitlements in its resettlement and rehabilitation policy. In response to the Requesters' claims for adequate and fair compensation for the loss of villages and land, Management explained that the resettlement sites compensated for the loss of villages. Management acknowledged the Requesters' claim that they were without legal titles or long-term leases for house plots in resettlement sites, stating that supervision teams had raised the issue during every mission and that it would continue to seek a resolution of the matter. Management also stated that it was satisfied that compensation for agricultural land paid to people affected by the Project was equivalent to replacement costs. Common property resources were available for those choosing to shift to the resettlement sites, and Management added that it was also satisfied that the compensation provided for houses enabled the affected people to construct replacement houses on par with their original housing, as required by the operational directive for involuntary resettlement.

Management claimed that it was too early to judge whether efforts made for income restoration would result in full income restoration as intended, but it acknowledged that mine jobs were limited to affected people losing more than 2 acres of land. Management acknowledged that income restoration schemes by themselves could not bring full economic rehabilitation or result in an income comparable to working in the mines.

Management argued that it had complied with the Bank's policy on disclosure of information in Parej East but agreed that the Borrower had not permitted the release of the Project's midterm review. Finally, in terms of services in the resettlement sites, Management asserted that the drinking water problems had been corrected but recognized that the school and health clinics were not yet staffed. Management stated that the supervision team would continue to follow up on the issue with CCL. Management also announced that the Project would be extended for an additional year. The Project closed on June 30, 2002.

THE PANEL'S ELIGIBILITY REPORT/BOARD DECISION

The Panel found both the Request and the Requesters eligible and submitted its report recommending an investigation to the Board on August 20, 2001. The Board approved the Panel's recommendation for an investigation on a no-objection basis on September 7, 2001. The Request, Management's Response, and the Panel's Eligibility Report were made public three days later and are currently available on the Inspection Panel's Web site: http://www.inspectionpanel.org.

THE PANEL'S INVESTIGATION REPORT

As authorized by the Board, the Panel carried out an investigation into the matters alleged in the Request, conducting a site visit and interviews and reviewing extensive Project documentation. The Panel sent its Investigation Report to the Board on November 25, 2002, revealing several instances of non-compliance by the Bank, particularly with the policy on Involuntary Resettlement—Operational Directive (OD) 4.30. The Panel found that this non-compliance was especially serious during the preparation and early implementation phases of the Project, while it acknowledged Management's effort during most recent years to find a solution to the several problems plaguing Project implementation.

The Panel found that the original Resettlement Action Plan (RAP) on involuntary resettlement for Parej East was not customized to the specific situation. This resulted in many problems that were at the root of the Requesters' complaints. The Panel determined that many PAPs were not adequately compensated for either their land or their houses. Moreover, legal recognition of traditional land rights of tribal people and compensation for them appeared to have been totally ignored during Project preparation. According to the Panel, Management acknowledged this only after the Requesters and other NGOs repeatedly pursued this issue, and to date a resolution of the problem is yet to be fully achieved. The Panel found that the PAPs were not consulted in the choice of the two relocation sites and that the Project did not ensure access to potable water, functioning schools, and forest resources. The Panel also determined that the Bank did not ensure that the relocated people receive a legal title for the plot of land where they have been resettled.

The Panel's investigation revealed as particularly worrisome the failure to comply with OD 4.30's directive to restore pre-resettlement incomes. The Panel determined that during the early stages of Project preparation many PAPs were led to believe that they would obtain a job in the mine, although this did not materialize for most of them. It



found also that the people were not assisted in finding new land to purchase as required in the RAP, that the self-employment option was not supported by feasibility studies until late in Project implementation, and that follow-up measures were not taken. The Panel found that the PAPs were not assisted during the transition period after displacement, and that the subsistence allowance for affected people, provided for in the Parej East RAP under certain criteria, was never awarded to any of the PAPs.

With respect to the indigenous people affected by the mine expansion but not displaced from their villages, the Panel found that, during Project preparation, Management had not reviewed the Indigenous Peoples Development Plan (IPDP) for Parej East, which appeared to be generic and unresponsive to local needs. Likewise, the annual IPDPs, tailored to the first general one, appeared to be "one-size-fits-all" plans that disregarded the specific needs of each community.

In general, the Panel found inadequate informing, participation, and consultation of affected people, particularly during the preparation and the early stages of Project implementation.

The Panel found that Management did not comply with OD 4.01 on Environmental Assessment, because it was unable to find any evidence of topsoil conservation and any documentation or information on the five-year mine reclamation program required by the Environmental Management Plan.

Finally, the Panel found that the Bank's supervision of the Project had been regular and intense in terms of resources allocated and number of visits. However, the Panel also found that, because of its partial reliance on inadequate consultants' reports, Management's knowledge of the realities on the ground was incomplete. It recognized, however, that Management had been honest in reporting difficulties and problems encountered and had worked with the Borrower to achieve feasible solutions. The Panel also observed that the creation of an independent panel to monitor the implementation of the remaining activities under the Project would be useful.

MANAGEMENT REPORT AND RECOMMENDATION IN RESPONSE TO THE PANEL'S FINDINGS

On May 30, 2003, almost six months after the six-week time frame set out in the Resolution establishing the Inspection Panel, Management presented to the Board of Executive Directors its Report and Recommendation in response to the Panel's findings. On July 25, 2003, three days after the Board Meeting, Management submitted a revised version of its Report and Recommendation. In the report, it stated that resettlement of all affected families had been completed, and that income restoration had been achieved for 87.1 percent of PAPs (as of March-April 2002). However, Management acknowledged that some implementation issues, such as payment of subsistence allowances, settlement of claims of PAPs cultivating land under customary tenure, and titling of house plots in the resettlement sites, were outstanding. Management asserted that it intended to continue supervising the CSESMP until all outstanding issues were resolved. With respect to the subsistence allowance, the report stated that the Parej East RAP was the only RAP among 25 for all the Project mines to provide for such an allowance. The Bank approved the RAP, which is the applicable Project document, but failed to notice this particular provision. Management stated that the PAPs were entitled to receive the subsistence allowance. It thus recommended that funds totaling about U\$\$300,000 be made available by the Government of India (GoI) to administer a lump sum payment to the 121 eligible families. Finally, Management also took up the Panel's suggestion to create an independent monitoring panel to monitor the resolution of the outstanding issues.

THE BOARD DECISION

On July 22, 2003, the Board of Executive Directors met to discuss the Management Report and Recommendations and the Panel's Investigation Report. The Board agreed that the Bank would continue to supervise the Project as long as it is necessary to ensure the resolution of the outstanding issues and to safeguard the interests of the affected people. The Board asked Management to periodically brief the Inspection Panel on progress and requested that Management provide a progress report to the Board as soon as possible, but no later than one year from the meeting. The Board requested that, in the future, Management submit its reports on time. The Panel's Investigation Report and Management's Report and Recommendations were made public a few days later and are currently available on the Inspection Panel's Web site: http://www.inspectionpanel.org.

MANAGEMENT PROGRESS REPORT (FEBRUARY 24, 2004)

As requested by the Board, in February 2004, Management submitted its report on the status of the issues identified by the Panel in its investigation report. With respect to the economic rehabilitation of affected people, Management stated that the implementing agency agreed to contract a local NGO, the Xavier Institute of Social Service, to conduct a survey of the PAPs whose income had not yet been restored. This survey would be used to develop a new targeted income restoration strategy. Management reported that the legal recognition of traditional land rights and the conveyance of titles to the house

plots in the resettlement sites would be examined on a case-by-case basis. However, while the recognition and compensation process for customary land rights seemed to proceed, albeit slowly, the titling issue was still pending with the GoI. Management further stated that, although it recommended the Government to make funds available to pay the subsistence allowance, the GoI was reluctant to do so, because this may become, in their view, an unacceptable precedent for other mines. Nonetheless, according to Management, a study would be commissioned to find a solution to this issue. As to the creation of an Independent Monitoring Panel, Management stated that the implementing agency would develop a proposal and submit it to the Bank.

MANAGEMENT PROGRESS REPORT (APRIL 5, 2005)

In April 2005, Management submitted an additional progress report to the Board. Management proposed a revised action "that ends its current supervisory responsibilities for selected issues, yet continues engagement on issues where Bank involvement can still have a beneficial impact." Management reported that progress had been slow in the attempts to expedite the recognition of customary land tenure to allow compensation. Likewise, progress was slow for the Government's pending legislative changes that would allow for long-term leases to PAPs in the resettlement site. In addition, according to Management's progress report, the subsistence allowance the Parej East 1994 RAP provided (for those who did not opt or qualify for jobs) has yet to be paid to eligible PAPs. Management stated that the GoI believes that the reference to this allowance in the RAP was an oversight, and added that the Project-affected families' (PAFs) expectations "arising from incomplete or misinformation posted in the village about the nature and scope of the Inspection Panel's findings" complicated matters. Management claimed that the Bank assisted CCL with a communications strategy designed to combat these alleged misinformation campaigns and facilitate a dialogue with CASS and the PAPs.

Management reported tangible progress in economic rehabilitation, compensation entitlements, and water quality. To rehabilitate the PAPs who experienced a decrease in income, attainment of coal-loading jobs was facilitated for many, although not all, of the individuals. Management also reported that all PAFs had either received, or were in the process of receiving compensation and relocation entitlements. Management stated that some affected people had resorted to the court system to receive higher compensation, but that this matter did not concern the Bank. Finally, monthly water-quality monitoring had determined that the results met the standards set in Indian law, although CASS, the Requesters to the Panel, disputed these results. The Inspection Panel Investigation Report, and Management's Progress Reports following the Inspection Panel Investigation Report and Management's Response are currently available on the Inspection Panel's Web site: http://www.inspectionpanel.org

OUTREACH AND OTHER ACTIVITIES

MAJOR EVENTS

Bank Annual Meeting, Washington, D.C.

On October 1, 2004, the Inspection Panel participated in the World Bank-International Monetary Fund Annual Meetings Program of Seminars in Washington, D.C. Panel Chairperson Edith Brown Weiss moderated the Panel's session, which was entitled "How to Make Institutions More Accountable." Speakers included Mr. Jose Vivanco, Executive Director, Human Rights Watch; Mr. Richard Bissell, Panel Member, Asian Development Bank Compliance Review Panel; Mr. Peter Eigen, Chair of the Board, Transparency International; and Professor Margaret Blair, Professor of Law, Vanderbilt University Law School. The panelists discussed how far accountability extends in international institutions and the private sector, what makes an effective accountability mechanism, the links between transparency and accountability, and the problems that arise in implementing accountability in the national and local context. After the speakers made their presentations, a discussion followed among participants and the audience. The event was well attended by high-level government delegations, private sector participants, and members of civil society.

2nd Meeting of Accountability Mechanisms in Manila, the Philippines

A Panel delegation participated in the 2nd Meeting of Accountability Mechanisms held April 4–5, 2005, in Manila. The delegation was composed of Panel Chairperson Edith Brown Weiss, Panel Members Tongroj Onchan and Werner Kiene, and Panel Executive Secretary Eduardo Abbott. This year's meeting was hosted by the Asian Development Bank's Compliance Review Panel and was a follow-up to the first meeting initiated and hosted by the Inspection Panel last year in Washington, D.C. Fourteen principals from various development institutions and international financial institutions attended the Manila meeting. These included the International Finance Corporation/Multilateral Investment Guarantee Agency, the Japan Bank for International Cooperation, Export Development Canada, the North



American Commission for Environmental Cooperation, the Overseas Private Investment Corporation, and the Asian Development Bank. The next meeting will be hosted

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by the North American Commission for Environmental Cooperation (NAEC) in Montreal, Canada, tentatively scheduled for May 2006.

Meetings with Civil Society Representatives

To maintain an open and frank dialogue with civil society, the Panel regularly meets with nongovernmental organization (NGO) representatives to update them on Requests for Inspection and other Panel activities, and to hear their concerns.

The Panel met with NGO representatives on July 16, 2004, and on April 15, 2005. Both events were held at the Center for International Environmental Law (CIEL) in Washington, D.C., and were facilitated by the Bank Information Center (BIC). Representatives of Washington-based as well as international NGOs—for example, representatives of NGOs from Nigeria, Pakistan, and Germany—participated in the meetings. The Panel Chairperson, Edith Brown Weiss, gave an overview of the Panel process and provided an update on the Panel's Request record—Requests received, ongoing and completed investigations—and on activities and issues the Panel dealt with in the past fiscal year. She also reported on the meetings of International Financial Institutions' Accountability and Recourse Mechanisms, which took place in Washington, D.C., and Manila in April 2004 and 2005, respectively.

OUTREACH MEETINGS

NGO Forum in Bishkek, the Kyrgyz Republic

On September, 6, 2004, previous Panel Member Ms. Maartje Van Putten, assisted by Panel's Operations Officer Mr. Serge Selwan, conducted a one-day seminar in Bishkek, the Kyrgyz Republic, about the Inspection Panel's role, operations, and experience to date. The seminar also included a presentation about the Inspection Panel. The meeting was organized by InterBilim, an umbrella NGO in Kyrgyzstan. Representatives from 15 organizations representing civil society in Bishkek, Talas, and Tokmok attended, as well as a World Bank official and a local press representative. The participants discussed the Panel's experience and the procedural steps for a Request for Inspection. At the end of the session, the organizers invited questions from the floor, which included several topics such as poverty alleviation and health projects, environmental assessments, the Panel's contribution to infrastructural projects, and the role of the Panel when an investigation is completed.

One World Trust Workshop, Bangkok, Thailand

On October 14–15, 2004, Professor Tongroj Onchan, member of the Inspection Panel, attended the Workshop on Increasing Accountability Through Complaint and Redress Mechanisms, which was convened by the One World Trust. National and international NGOs, national and multilateral corporations, and international financial institutions

participated in the workshop. One of the main objectives of the workshop was for the participants to share experiences of their respective organizations' complaint and redress mechanisms for policies and practices.

Roundtable Meeting and Interview, Buenos Aires, Argentina

On November 10, 2004, Panel Chairperson Edith Brown Weiss spoke on "La experiencia del Panel de Inspección del Banco Mundial" at a roundtable meeting sponsored by the Centro de Estudios Legales y Sociales (CELS) and the Inspection Panel. Panel Executive Secretary Eduardo Abbott provided commentary. The event was held at the Castelar Hotel in Buenos Aires and was attended by a variety of scholars and public officials from Argentina

and other countries in the region. The Panel also launched publication of its 10-year anniversary book entitled *Accountability at the World Bank: The Inspection Panel 10 years on.* The book launching was attended by high-ranking government officials and representatives of civil society. While in Buenos Aires, a local newspaper, *Página 12*, interviewed Professor Brown Weiss on the role of the Panel. The interview was published on November 14, 2004.



Symposium on Accountability and Good Governance, Bangkok, Thailand

On December 15, 2004, the World Bank Inspection Panel, the Economic Society of Kasetsart University, and the Mekong Environment and Resource Institute organized a symposium entitled "Accountability and Good Governance: Making Development Accountable," at the Siam City Hotel, Bangkok. Mr. Petipong Pungbun Na Ayudhya, Permanent Secretary of the Ministry of Natural Resource and Environment, gave opening remarks. Professor Edith Brown Weiss, Chairperson of the Inspection Panel delivered the keynote address. Professor Tongroj Onchan, member of the Inspection Panel, moderated a panel discussion of a group of five distinguished speakers, including: Dr. Jarupat Ruangsuwan, Election Commissioner, National Election Commission; Dr. Amara Pongsapich, Dean, Faculty of Political Science, Chulalongkorn University; Dr. Tawatchai Yongkittikul, Secretary-General, The Thai Banker's Association; Mr. Anthony M. Zola, President, MIDAS Agronomics Co., Ltd.; and Dr. Kriengsak Chareonwongsak, President, Institute of Future Studies for Development. More than 100 people from various organizations including the government, business organizations, civil society, and academia participated in the seminar.

Meeting with NGOs, Bangkok, Thailand

On the afternoon of December 15, 2004, following the Symposium on Accountability and Good Governance, the Inspection Panel participated in a special workshop of

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leading local NGOs. During this meeting, participants discussed the role of civil society in strengthening accountability and good governance in the Asian context. It was a good discussion that touched on issues of concern to the NGOs.

Jacobson Lecture Series, University of Michigan

On February 3, 2005, Professor Edith Brown Weiss, Inspection Panel Chairperson, delivered the Jacobson Lecture at the University of Michigan. Her lecture was entitled "Making International Financial Institutions Accountable." The Jacobson Lecture is an annual event celebrating Harold Jacobson's contribution to the Center for Political Studies at the University of Michigan. The lecture focuses on one or more of the many areas—foreign policy, international organization and law, the environment, international relations theory—to which Professor Jacobson made substantial scholarly and institutional contributions. The audience consisted of a diverse group of faculty and graduate students from several campus departments, as well as the general public.

Center for Global Studies, University of Illinois

On March 4, 2005, Panel Member Werner Kiene gave a lecture on "Accountability and Compliance: New Institutions for Helping the Poor to Get What They are Supposed to Get." He examined various new approaches to social and organizational accountability and explained how the Panel's work fits into the mix of instruments available to poor populations in developing countries. The lecture was subsequently made available to a wider audience through the University's Broadcasting Service.

Annual Speaker Series, Willamette University

On March 8, 2005, Panel Chairperson Edith Brown Weiss delivered a lecture at Willamette University in Oregon on "Compliance, Accountability, and International Financial Institutions: Listening to the Poor." Professor Brown Weiss's lecture is part of the 10th Annual Speaker Series at Willamette University College of Law. Professor Brown Weiss's talk was well attended by the general public as well as the university community.

Japan Bank for International Cooperation Meeting, Tokyo, Japan

At the invitation of the Japan Bank for International Cooperation (JBIC), Professor Edith Brown Weiss delivered a speech to JBIC officials and special invited guests and academicians on April 7, 2005, in Tokyo, Japan. Professor Brown Weiss spoke on "Accountability, Compliance and International Financial Institutions." Mr. Eduardo Abbott, Panel Executive Secretary, also participated in the event. After Professor Brown Weiss' presentation, she and Mr. Abbott met with the Governor of JBIC, Mr. Kyosuke Shinozawa.

Buendnis für Eine Welt, Austria

On April 15, 2005, Panel Member Werner Kiene led a discussion on the Panel and its relationship to the World Bank's programs. *Buendnis für eine Welt* is member of a network of Austrian and European NGOs focusing on information and advocacy for international development issues. The work of the Panel was also the subject of follow-up meetings with related groups in Villach on April 18 and in Vienna on April 26 and 27.

Breakfast Honoring President Wolfensohn, World Bank, Washington, D.C.

On May 11, 2005, the Inspection Panel hosted a breakfast gathering in honor of President James D. Wolfensohn. Mrs. Wolfensohn, Panel members and Panel Secretariat staff, several World Bank Executive Directors, and representatives of civil society attended the event. Edith Brown Weiss, Panel Chairperson, thanked Mr. Wolfensohn for his strong support of the Panel throughout his tenure as head of the World Bank. In turn, Mr. Wolfensohn praised the essential and unique work undertaken by the Panel and wished it continued success.



International Association for Impact Assessment 25th Annual Conference (IAIA'05), Boston, Massachusetts

The International Association for Impact Assessment (IAIA) held its 25th Annual Conference (IAIA'05) from May 31 to June 3, 2005, in Boston, Massachusetts. The theme for this year's meeting was "Ethics and Quality." Panel Chairperson Edith Brown Weiss delivered one of the three plenary addresses. She spoke on "Accountability and Impact Assessment." Other featured keynote speakers included James Gustave Speth, former Administrator of the United Nations Development Programme (UNDP) and author of Red Sky at Morning, and Taimalelagi Fagamalama Tuatagaloa-Matalavea, Anglican Observer at the United Nations. More than 600 delegates from 83 countries attended. As has been customary, the Quality Assurance and Compliance Unit of the World Bank ran a "World Bank Day" in association with this conference.

The Academy of Human Rights and Humanitarian Law, Washington, D.C.

On June 6, 2005, Mr. Eduardo Abbott, Panel Executive Secretary, joined a panel of international financial institution experts in a presentation on "Accountability of International Financial Institutions (IFIs): The Current Status of Existing Compliance and Review Mechanisms at the World Bank, International Finance Corporation (IFC), and

Outreach and Other Activities 57

Inter-American Development Bank (IADB)" organized by the Academy on Human Rights and Humanitarian Law. The other panelists included Mr. David Hunter, Professor of Law and former Director of the Center for International Environmental Law, and Mr. Kevin McTigue of the Legal Department of the IADB. The panelists discussed recent strategies employed by IFIs to respond to criticism regarding their human rights records and described the mechanisms that have been introduced to review and improve IFI policies and practices dealing with environmental, social, and human rights issues in developing countries. The event was cosponsored by the American University Washington College of Law, ABA-SIL Human Rights Committee, the American Society of International Law, and the American Bar Association Section of Individual Rights and Responsibilities.

OUTREACH MATERIAL

Public Information Centers (PICs)

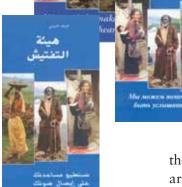
As part of its outreach initiatives, the Panel disseminated outreach material in different languages, including brochures, copies of the 10-year publication *Accountability at the*

World Bank: The Inspection Panel 10 years on, and its Annual Report to several Public Information Centers (PICs) maintained at various World Bank country offices for individuals who seek information about the Inspection Panel.

The Inspection Panel Web Site

The Panel launched this year a new and more user-friendly Web site. The new site contains information about the projects the Panel received in the past 12 years. It also contains the 1993 Resolution establishing the Panel and its subsequent Clarifications, as well as the Panel's Operating Procedures. Visitors can download a copy of its outreach brochure, which contains a description of

the Panel's work and a Suggested Format for a Request for Inspection. These documents are available in several different languages. The Panel's Web site address is http://www.inspectionpanel.org.



Inspection

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ANNEX 1

PANEL MEMBERS' BIOGRAPHIES



Ms. Edith Brown Weiss was appointed to the Panel in September 2002 and is an outstanding legal scholar who has taught and published widely on issues of international law and global policies, including environmental and compliance issues. She is the Francis Cabell Brown Professor of International Law at Georgetown University Law Center, where she has been on the faculty since 1978. Before Georgetown, she was a professor at Princeton University. Ms. Brown Weiss has won many prizes for her work, including the Elizabeth Haub prize from the Free University of Brussels and the International Union for the Conservation of Nature (IUCN) for international environmental law, and the American Bar Association Award to individuals for distinguished achievements in Environmental Law and Policy, 2003, and

has received many awards for her books and articles. She served as President of the American Society of International Law and as Associate General Counsel for the U.S. Environmental Protection Agency, where she established the Division of International Law. She is a member of many editorial boards, including those of the American Journal of International Law and the Journal of International Economic Law. Ms. Brown Weiss has been a board member, trustee, or advisor for the Japanese Institute for Global Environmental Strategies, the Cousteau Society, the Center for International Environmental Law, and the National Center for Atmospheric Research, among others. Ms. Brown Weiss has been a Special Legal Advisor to the North American Commission on Environmental Cooperation. She has been a member of the U.S. National Academy of Sciences Commission on Geosciences, Environment, and Resources; the Water Science and Technology Board; and the Committee on Sustainable Water Supplies in the Middle East. She is an elected member of the American Law Institute, the Council on Foreign Relations, and the IUCN Commission on Environmental Law. Ms. Brown Weiss received a bachelor's of arts degree from Stanford University with Great Distinction, an LL.B. (J.D.) from Harvard Law School, a Ph.D. in political science from the University of California at Berkeley, and an Honorary Doctor of Laws from Chicago-Kent College of Law.

Mr. Tongroj Onchan was appointed to the Panel in September 2003. He has a Ph.D. in agricultural economics from the University of Illinois. Professor Onchan taught in the Faculty of Economics at Kasetsart University in Thailand for 26 years, including a term as dean. He later served as vice president of Huachiew Chalermprakiat University and then joined the Thailand Environment Institute (TEI) as vice president. In 1998, Mr. Onchan was appointed president of TEI. He helped establish and was appointed president

dent of the Mekong Environment and Resource Institute (MERI) in 2000. He has served as advisor to the Prime Minister and to the Minister of Science, Technology and Environment, as member of the National Environmental Board, chairman of the National EIA Committee, chairman of the Committee on the Preparation of State of the Environment Report for Thailand, and member of the National Audit Committee. Mr. Onchan is on many editorial boards, among them the Asian Journal of Agricultural Economics and the International Review for Environmental Strategies. He has consulted for a number of international organizations, including the Asian Productivity Organization, ESCAP, the World Bank, the Asian Development Bank, the Food and Agriculture Organization, the Internation-



al Labor Organization, U.S. Agency for International Development, and the Ford Foundation. He has been project director of more than 30 research projects and author or coauthor of numerous technical and research papers on rural development, natural resources, and environmental management. Currently, he serves in several capacities: chairman of the Board of Directors of the MERI, member of the National Research Council for economics, and a director of the International Global Environment Strategy (IGES) based in Japan. Mr. Onchan was appointed as eminent person to serve as a member of the Asia and Pacific Forum for Environment and Development (APFED).

Mr. Werner Kiene, an Austrian national, was appointed to the Panel in November 2004. He holds a Masters of Science degree and a Ph.D. in Agricultural Economics from Michigan State University. He has held leadership positions with the Ford Foundation and German Development Assistance. In 1994, Mr. Kiene became the founding Director of the Office of Evaluation of the United Nations World Food Programme (UNWFP). He was the UNWFP Country Director for Bangladesh from 1998 through 2000 and also served as UN Resident Coordinator during this period. From 2000 to 2004, he was a Representative of the UNWFP in Washington, D.C. Mr. Kiene's focus has been on the design, implementation, and assessment of sustainable development initiatives. His professional writings have dealt



with issues of rural poverty and social services delivery; food security, agricultural, and regional development; emergency support and humanitarian assistance; and international trade and international relations. Mr. Kiene is involved in professional organizations such as the American Evaluation Association, the Society for International Development, the American Association for the Advancement of Science, and the International Agricultural Economics Association.

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JOINT STATEMENT ON THE USE OF COUNTRY SYSTEMS

Mexico Decentralized Infrastructure Reform and Development Project (R2004-0077, 0077/3)

CHAIRPERSON OF THE INSPECTION PANEL AND SENIOR VICE PRESIDENT AND GENERAL COUNSEL

We are in agreement that the country systems strategy would not change the role of the Inspection Panel as set forth in the 1993 Resolutions establishing the Panel. The Inspection Panel will continue to investigate whether Management is in compliance with its policies and procedures in the design, appraisal and implementation of projects and programs. This means that if a request were filed with the Inspection Panel in the context of the Mexico Decentralized Infrastructure Reform and Development Loan Project, the Inspection Panel could, with regard to the issues raised, examine Management's assessment of the equivalence of the relevant Bank policies and procedures with the country system (and any additional measures agreed upon to achieve equivalence) in materially achieving the objectives of Bank policies and procedures, as well as Management's supervision of the project. The operational framework for the specific project or program agreed upon with the borrower would be the frame of reference for the borrower's performance and the Bank's supervision.¹

Edith Brown Weiss Roberto Danino

Chairperson Senior Vice President and General Counsel

The Inspection Panel The World Bank

June 8, 2004

¹ The Bank would continue to be bound by OP/BP 13.05 on Supervision and the Inspection Panel would review Bank compliance with OP/BP 13.05. The Borrower will be supervised by the Bank, based on its implementation of the contractual arrangements reflected in the legal agreements.

September 22, 1993

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT INTERNATIONAL DEVELOPMENT ASSOCIATION

Resolution No. IBRD 93-10 Resolution No. IDA 93-6

"THE WORLD BANK INSPECTION PANEL"

The Executive Directors: Hereby resolve:

1. There is established an independent Inspection Panel (hereinafter called the Panel), which shall have the powers and shall function as stated in this resolution.

COMPOSITION OF THE PANEL

- 2. The Panel shall consist of three members of different nationalities from Bank member countries. The President, after consultation with the Executive Directors, shall nominate the members of the Panel to be appointed by the Executive Directors.
- 3. The first members of the Panel shall be appointed as follows: one for three years, one for four years and one for five years. Each vacancy thereafter shall be filled for a period of five years, provided that no member may serve for more than one term. The term of appointment of each member of the Panel shall be subject to the continuity of the inspection function established by this Resolution.
- 4. Members of the Panel shall be selected on the basis of their ability to deal thoroughly and fairly with the requests brought to them, their integrity and their independence from the Bank's Management, and their exposure to developmental issues and to living conditions in developing countries. Knowledge and experience of the Bank's operations will also be desirable.

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- 5. Executive Directors, Alternates, Advisors and staff members of the Bank Group may not serve on the Panel until two years have elapsed since the end of their service in the Bank Group. For purposes of this Resolution, the term "staff" shall mean all persons holding Bank Group appointments as defined in Staff Rule 4.01 including persons holding consultant and local consultant appointments.
- 6. A Panel member shall be disqualified from participation in the hearing and investigation of any request related to a matter in which he/she has a personal interest or had significant involvement in any capacity.
- 7. The Panel member initially appointed for five years shall be the first Chairperson of the Panel, and shall hold such office for one year. Thereafter, the members of the Panel shall elect a Chairperson for a period of one year.
- 8. Members of the Panel may be removed from office only by decision of the Executive Directors, for cause.
- 9. With the exception of the Chairperson who shall work on a full-time basis at Bank headquarters, members of the Panel shall be expected to work on a full-time basis only when their workload justifies such an arrangement, as will be decided by the Executive Directors on the recommendation of the Panel.
- 10. In the performance of their functions, members of the Panel shall be officials of the Bank enjoying the privileges and immunities accorded to Bank officials, and shall be subject to the requirements of the Bank's Articles of Agreement concerning their exclusive loyalty to the Bank and to the obligations of subparagraphs (c) and (d) of paragraph 3.1 and paragraph 3.2 of the Principles of Staff Employment concerning their conduct as officials of the Bank. Once they begin to work on a full-time basis, they shall receive remuneration at a level to be determined by the Executive Directors upon a recommendation of the President, plus normal benefits available to Bank fixed-term staff. Prior to that time, they shall be remunerated on a per diem basis and shall be reimbursed for their expenses on the same basis as the members of the Bank's Administrative Tribunal. Members of the Panel may not be employed by the Bank Group, following the end of their service on the Panel.
- 11. The President, after consultation with the Executive Directors, shall assign a staff member to the Panel as Executive Secretary, who need not act on a full-time basis until the workload so justifies. The Panel shall be given such budgetary resources as shall be sufficient to carry out its activities.

POWERS OF THE PANEL

12. The Panel shall receive requests for inspection presented to it by an affected party in the territory of the borrower which is not a single individual (i.e., a community of persons such as an organization, association, society or other grouping of individuals), or by the local representative of such party or by another representative in the exceptional cases where the party submitting the request contends that appropriate representation is not locally available and the Executive Directors so agree at the

time they consider the request for inspection. Any such representative shall present to the Panel written evidence that he is acting as agent of the party on behalf of which the request is made. The affected party must demonstrate that its rights or interests have been or are likely to be directly affected by an action or omission of the Bank as a result of a failure of the Bank to follow its operational policies and procedures with respect to the design, appraisal and/or implementation of a project financed by the Bank (including situations where the Bank is alleged to have failed in its follow-up on the borrower's obligations under loan agreements with respect to such policies and procedures) provided in all cases that such failure has had, or threatens to have, a material adverse effect. In view of the institutional responsibilities of Executive Directors in the observance by the Bank of its operational policies and procedures, an Executive Director may in special cases of serious alleged violations of such policies and procedures ask the Panel for an investigation, subject to the requirements of paragraphs 13 and 14 below. The Executive Directors, acting as a Board, may at any time instruct the Panel to conduct an investigation. For purposes of this Resolution, "operational policies and procedures" consist of the Bank's Operational Policies, Bank Procedures and Operational Directives, and similar documents issued before these series were started, and does not include Guidelines and Best Practices and similar documents or statements.

- 13. The Panel shall satisfy itself before a request for inspection is heard that the subject matter of the request has been dealt with by the Management of the Bank and Management has failed to demonstrate that it has followed, or is taking adequate steps to follow the Bank's policies and procedures. The Panel shall also satisfy itself that the alleged violation of the Bank's policies and procedures is of a serious character.
- 14. In considering requests under paragraph 12 above, the following requests shall not be heard by the Panel:
 - (a) Complaints with respect to actions which are the responsibility of other parties, such as a borrower, or potential borrower, and which do not involve any action or omission on the part of the Bank.
 - (b) Complaints against procurement decisions by Bank borrowers from suppliers of goods and services financed or expected to be financed by the Bank under a loan agreement, or from losing tenderers for the supply of any such goods and services, which will continue to be addressed by staff under existing procedures.
 - (c) Requests filed after the Closing Date of the loan financing the project with respect to which the request is filed or after the loan financing the project has been substantially disbursed.²
 - (d) Requests related to a particular matter or matters over which the Panel has already made its recommendation upon having received a prior request, unless justified by new evidence or circumstances not known at the time of the prior request.

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² This will be deemed to be the case when at least ninety five percent of the loan proceeds have been disbursed.

15. The Panel shall seek the advice of the Bank's Legal Department on matters related to the Bank's rights and obligations with respect to the request under consideration.

PROCEDURES

- 16. Requests for inspection shall be in writing and shall state all relevant facts, including, in the case of a request by an affected party, the harm suffered by or threatened to such party or parties by the alleged action or omission of the Bank. All requests shall explain the steps already taken to deal with the issue, as well as the nature of the alleged actions or omissions, and shall specify the actions taken to bring the issue to the attention of Management, and Management's response to such action.
- 17. The Chairperson of the Panel shall inform the Executive Directors and the President of the Bank promptly upon receiving a request for inspection.
- 18. Within 21 days of being notified of a request for inspection, the Management of the Bank shall provide the Panel with evidence that it has complied, or intends to comply with the Bank's relevant policies and procedures.
- 19. Within 21 days of receiving the response of the Management as provided in the preceding paragraph, the Panel shall determine whether the request meets the eligibility criteria set out in paragraphs 12 to 14 above and shall make a recommendation to the Executive Directors as to whether the matter should be investigated. The recommendation of the Panel shall be circulated to the Executive Directors for decision within the normal distribution period. In case the request was initiated by an affected party, such party shall be informed of the decision of the Executive Directors within two weeks of the date of such decision.
- 20. If a decision is made by the Executive Directors to investigate the request, the Chairperson of the Panel shall designate one or more of the Panel's members (Inspectors) who shall have primary responsibility for conducting the inspection. The Inspector(s) shall report his/her (their) findings to the Panel within a period to be determined by the Panel taking into account the nature of each request.
- 21. In the discharge of their functions, the members of the Panel shall have access to all staff who may contribute information and to all pertinent Bank records and shall consult as needed with the Director General, Operations Evaluation Department and the Internal Auditor. The borrower and the Executive Director representing the borrowing (or guaranteeing) country shall be consulted on the subject matter both before the Panel's recommendation on whether to proceed with the investigation and during the investigation. Inspection in the territory of such country shall be carried out with its prior consent.
- 22. The Panel shall submit its report to the Executive Directors and the President. The report of the Panel shall consider all relevant facts, and shall conclude with the Panel's findings on whether the Bank has complied with all relevant Bank policies and procedures.

23. Within six weeks from receiving the Panel's findings, Management will submit to the Executive Directors for their consideration a report indicating its recommendations in response to such findings. The findings of the Panel and the actions completed during project preparation also will be discussed in the Staff Appraisal Report when the project is submitted to the Executive Directors for financing. In all cases of a request made by an affected party, the Bank shall, within two weeks of the Executive Directors' consideration of the matter, inform such party of the results of the investigation and the action taken in its respect, if any.

DECISIONS OF THE PANEL

24. All decisions of the Panel on procedural matters, its recommendations to the Executive Directors on whether to proceed with the investigation of a request, and its reports pursuant to paragraph 22, shall be reached by consensus and, in the absence of a consensus, the majority and minority views shall be stated.

REPORTS

- 25. After the Executive Directors have considered a request for an inspection as set out in paragraph 19, the Bank shall make such request publicly available together with the recommendation of the Panel on whether to proceed with the inspection and the decision of the Executive Directors in this respect. The Bank shall make publicly available the report submitted by the Panel pursuant to paragraph 22 and the Bank's response thereon within two weeks after consideration by the Executive Directors of the report.
- 26. In addition to the material referred to in paragraph 25, the Panel shall furnish an annual report to the President and the Executive Directors concerning its activities. The annual report shall be published by the Bank.

REVIEW

27. The Executive Directors shall review the experience of the inspection function established by this Resolution after two years from the date of the appointment of the first members of the Panel.

APPLICATION TO IDA PROJECTS

28. In this resolution, references to the Bank and to loans include references to the Association and to development credits.

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REVIEW OF THE RESOLUTION ESTABLISHING THE INSPECTION PANEL 1996 CLARIFICATION OF CERTAIN ASPECTS OF THE RESOLUTION

The Resolution establishing the Inspection Panel calls for a review after two years from the date of appointment of the first panel members. On October 17, 1996, the Executive Directors of the Bank and IDA completed the review process (except for the question of inspection of World Bank Group private sector projects) by considering and endorsing the clarifications recommended by Management on the basis of the discussions of the Executive Directors' Committee on Development Effectiveness (CODE). The Inspection Panel and Management are requested by the Executive Directors to observe the clarifications in their application of the Resolution. The clarifications are set out below.

THE PANEL'S FUNCTION

Since the Resolution limits the first phase of the inspection process to ascertaining the eligibility of the request, this phase should normally be completed within the 21 days stated in the Resolution. However, in cases where the Inspection Panel believes that it would be appropriate to undertake a "preliminary assessment" of the damages alleged by the requester (in particular when such preliminary assessment could lead to a resolution of the matter without the need for a full investigation), the Panel may undertake the preliminary assessment and indicate to the Board the date on which it would present its findings and recommendations as to the need, if any, for a full investigation. If such a date is expected by the Panel to exceed eight weeks from the date of receipt of Management's comments, the Panel should seek Board approval for the extension, possibly on a "no-objection" basis. What is needed at this preliminary stage is not to establish that a serious violation of the Bank's policy has actually resulted in damages suffered by the affected party, but rather to establish whether the complaint is prima facie justified and warrants a full investigation because it is eligible under the Resolution. Panel investigations will continue to result in "findings," and the Board will continue to act on investigations on the basis of recommendations of Management with respect to such remedial action as may be needed.

ELIGIBILITY AND ACCESS

It is understood that the "affected party" which the Resolution describes as "a community of persons such as an organization, association, society or other grouping of individuals" includes any two or more persons who share some common interests or concerns.

The word "project" as used in the Resolution has the same meaning as it generally has in the Bank's practice, and includes projects under consideration by Bank management as well as projects already approved by the Executive Directors.

The Panel's mandate does not extend to reviewing the consistency of the Bank's practice with any of its policies and procedures, but, as stated in the Resolution, is limited to cases of alleged failure by the Bank to follow its operational policies and procedures with respect to the design, appraisal and/or implementation of projects, including cases of alleged failure by the bank to follow up on the borrowers' obligations under loan agreements, with respect to such policies and procedures.

No procurement action is subject to inspection by the Panel, whether taken by the Bank or by a borrower. A separate mechanism is available for addressing procurement-related complaints.

OUTREACH

Management will make its response to requests for inspection available to the public within three days after the Board has decided on whether to authorize the inspection. Management will also make available to the public opinions of the General Counsel related to Inspection Panel matters promptly after the Executive Directors have dealt with the issues involved, unless the Board decides otherwise in a specific case.

Management will make significant efforts to make the Inspection Panel better known in borrowing countries, but will not provide technical assistance or funding to potential requesters.

COMPOSITION OF THE PANEL

No change in the composition of the Panel is being made at this time.

ROLE OF THE BOARD

The Board will continue to have authority to (i) interpret the Resolution; and (ii) authorize inspections. In applying the Resolution to specific cases, the Panel will apply it as it understands it, subject to the Board's review. As stated in the Resolution, "[t]he Panel shall seek the advice of the Bank's Legal Department on matters related to the Bank's rights and obligations with respect to the request under consideration."

October 17, 1996

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1999 CLARIFICATION OF THE BOARD'S SECOND REVIEW OF THE INSPECTION PANEL

The Executive Directors approved today, April 20, 1999, with immediate effect, the report of the Working Group on the Second Review of the Inspection Panel, as revised in light of the extensive consultations that took place after the report was first circulated.

The report confirms the soundness of the Resolution establishing the Inspection Panel (IBRD Resolution No. 93-10, IDA Resolution No. 93-6 of September 22, 1993, hereinafter "the Resolution") and provides clarifications for its application. These clarifications supplement the clarifications issued by the Board on October 17, 1996 and prevail over them in case of conflict. The report's recommendations approved by the Board are as follows:

- 1. The Board reaffirms the Resolution, the importance of the Panel's function, its independence and integrity.
- 2. Management will follow the Resolution. It will not communicate with the Board on matters associated with the request for inspection, except as provided for in the Resolution. It will thus direct its response to the request, including any steps it intends to take to address its failures, if any, to the Panel. Management will report to the Board any recommendations it may have, after the Panel completes its inspection and submits its findings, as envisaged in paragraph 23 of the Resolution.
- 3. In its initial response to the request for inspection, Management will provide evidence that
 - i. it has complied with the relevant Bank operational policies and procedures; or that
 - ii. there are serious failures attributable exclusively to its own actions or omissions in complying, but that it intends to comply with the relevant policies and procedures; or that
 - iii. the serious failures that may exist are exclusively attributable to the borrower or to other factors external to the Bank; or that
 - iv. the serious failures that may exist are attributable both to the Bank's noncompliance with the relevant operational policies and procedures and to the borrower or other external factors.

The Inspection Panel may independently agree or disagree, totally or partially, with Management's position and will proceed accordingly.

- 4. When Management responds, admitting serious failures that are attributable exclusively or partly to the Bank, it will provide evidence that it has complied or intends to comply with the relevant operating policies and procedures. This response will contain only those actions that the Bank has implemented or can implement by itself.
- The Inspection Panel will satisfy itself as to whether the Bank's compliance or evidence of intention to comply is adequate, and reflect this assessment in its reporting to the Board.
- 6. The Panel will determine the eligibility of a request for inspection independently of any views that may be expressed by Management. With respect to matters relating to the Bank's rights and obligations with respect to the request under consideration, the Panel will seek the advice of the Bank's Legal Department as required by the Resolution.
- 7. For its recommendation on whether an investigation should be carried out, the Panel will satisfy itself that all the eligibility criteria provided for in the Resolution have been met. It will base its recommendation on the information presented in the request, in the Management response, and on other documentary evidence. The Panel may decide to visit the project country if it believes that this is necessary to establish the eligibility of the request. In respect of such field visits, the Panel will not report on the Bank's failure to comply with its policies and procedures or its resulting material adverse effect; any definitive assessment of a serious failure of the Bank that has caused material adverse effect will be done after the Panel has completed its investigation.
- 8. The original time limit, set forth in the Resolution for both Management's response to the request and the Panel's recommendation, will be strictly observed except for reasons of force majeure, i.e. reasons that are clearly beyond Management's or the Panel's control, respectively, as may be approved by the Board on a no objection basis.
- 9. If the Panel so recommends, the Board will authorize an investigation without making a judgement on the merits of the claimants' request, and without discussion except with respect to the following technical eligibility criteria:
 - a. The affected party consists of any two or more persons with common interests or concerns and who are in the borrower's territory (Resolution para.12).
 - b. The request does assert in substance that a serious violation by the Bank of its operational policies and procedures has or is likely to have a material adverse effect on the requester (Resolution paras. 12 and 14a).
 - c. The request does assert that its subject matter has been brought to Management's attention and that, in the requester's view, Management has failed to

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- respond adequately demonstrating that it has followed or is taking steps to follow the Bank's policies and procedures (Resolution para. 13).
- d. The matter is not related to procurement (Resolution para. 14b).
- e. The related loan has not been closed or substantially disbursed (Resolution para. 14c).
- f. The Panel has not previously made a recommendation on the subject matter or, if it has, that the request does assert that there is new evidence or circumstances not known at the time of the prior request (Resolution para. 14d).
- 10. Issues of interpretation of the Resolution will be cleared with the Board.
- 11. The "preliminary assessment" concept, as described in the October 1996 Clarification, is no longer needed. The paragraph entitled "The Panel's Function" in the October 1996 "Clarifications" is thus deleted.
- 12. The profile of Panel activities, in-country, during the course of an investigation, should be kept as low as possible in keeping with its role as a fact-finding body on behalf of the Board. The Panel's methods of investigation should not create the impression that it is investigating the borrower's performance. However, the Board, acknowledging the important role of the Panel in contacting the requesters and in fact-finding on behalf of the Board, welcomes the Panel's efforts to gather information through consultations with affected people. Given the need to conduct such work in an independent and low-profile manner, the Panel—and Management—should decline media contacts while an investigation is pending or underway. Under those circumstances in which, in the judgement of the Panel or Management, it is necessary to respond to the media, comments should be limited to the process. They will make it clear that the Panel's role is to investigate the Bank and not the borrower.
- 13. As required by the Resolution, the Panel's report to the Board will focus on whether there is a serious Bank failure to observe its operational policies and procedures with respect to project design, appraisal and/or implementation. The report will include all relevant facts that are needed to understand fully the context and basis for the panel's findings and conclusions. The Panel will discuss in its written report only those material adverse effects, alleged in the request, that have totally or partially resulted from serious Bank failure of compliance with its policies and procedures. If the request alleges a material adverse effect and the Panel finds that it is not totally or partially caused by Bank failure, the Panel's report will so state without entering into analysis of the material adverse effect itself or its causes.
- 14. For assessing material adverse effect, the without-project situation should be used as the base case for comparison, taking into account what baseline information may be available. Non-accomplishments and unfulfilled expectations that do not generate a material deterioration compared to the without-project situation will not be considered as a material adverse effect for this purpose. As the assessment of material adverse effect in the context of the complex reality of a specific project can

- be difficult, the Panel will have to exercise carefully its judgement on these matters, and be guided by Bank policies and procedures where relevant.
- 15. A distinction has to be made between Management's report to the Board (Resolution para. 23), which addresses Bank failure and possible Bank remedial efforts and "action plans," agreed between the borrower and the Bank, in consultation with the requesters, that seek to improve project implementation. The latter "action plans" are outside the purview of the Resolution, its 1996 clarification, and these clarifications. In the event of agreement by the Bank and borrower on an action plan for the project, Management will communicate to the Panel the nature and outcomes of consultations with affected parties on the action plan. Such an action plan, if warranted, will normally be considered by the Board in conjunction with the Management's report, submitted under Resolution para. 23.
- 16. The Panel may submit to the Executive Directors for their consideration a report on their view of the adequacy of consultations with affected parties in the preparation of the action plans. The Board should not ask the Panel for its view on other aspects of the action plans nor would it ask the Panel to monitor the implementation of the action plans. The Panel's view on consultation with affected parties will be based on the information available to it by all means, but additional country visits will take place only by government invitation.
- 17. The Board underlines the need for Management to make significant efforts to make the Inspection Panel better known in borrowing countries, as specified in the 1996 "Clarifications."
- 18. The Board emphasizes the importance of prompt disclosure of information to claimants and the public, as stipulated in the Resolution (paras. 23 and 25) and in its 1996 Clarifications. The Board requires that such information be provided by Management to claimants in their language, to the extent possible.
- 19. The Board recognizes that enhancing the effectiveness of the Inspection Panel process through the above clarifications assumes adherence to them by all parties in good faith. It also assumes the borrowers' consent for field visits envisaged in the Resolution. If these assumptions prove to be incorrect, the Board will revisit the above conclusions.

ANNEX 6

OPERATING PROCEDURES

AS ADOPTED BY THE PANEL ON AUGUST 19, 1994

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INTRODUCTION

The Inspection Panel (the "Panel") is an independent forum established by the Executive Directors of the International Bank for Reconstruction and Development ("IBRD") and the International Development Association ("IDA") by IBRD Resolution No. 93-10 and the identical IDA Resolution No. 93-6 both adopted by the Executive Directors of the respective institutions on September 22, 1993 (collectively the "Resolution"). The text of the Resolution is in Annex 1. References in these procedures to the "Bank" include the IBRD and IDA.

The Panel's authority is dictated by the Resolution: within that framework, these Operating Procedures are adopted by the Panel to provide detail to the operational provisions. The text is based on the Resolution and takes into account suggestions from outside sources.

In view of the unprecedented nature of the new inspection function the current procedures are provisional: the Panel will review them within 12 months and, in light of experience and comments received, will revise them if necessary; and will recommend to the Executive Directors ("Executive Directors") amendments to the Resolution that would allow a more effective role for the Panel.

Composition

The Panel consists of three Inspectors. At the outset, one Inspector, the Chairperson, will work on a full-time basis: the other two will work part-time. This arrangement is provisional. The Panel's workload will be dictated by the number and nature of requests received. If necessary, the Panel will recommend alternative arrangements to the Executive Directors.

Purpose

The Panel has been established for the purpose of providing people directly and adversely affected by a Bank-financed project with an independent forum through which they can request the Bank to act in accordance with its own policies and procedures. It follows that this forum is available when adversely affected people believe the Bank itself has failed, or has failed to require others, to comply with its policies and procedures, and only after efforts have been made to ask the Bank Management ("Management") itself to deal with the problem.

Functions

The role of the Panel is to carry out independent investigations. Its function, which will be triggered when it receives a request for inspection, is to inquire and recommend: it will make a preliminary review of a request for inspection and the response of Management, independently assess the information and then recommend to the Board of Executive Directors whether or not the matters complained of should be investigated. If the Board decides that a request shall be investigated, the Panel will collect information and provide its findings, independent assessment and conclusions to the Board. On the basis of the Panel's findings and Management's recommendations, the Executive Directors will consider the actions, if any, to be taken by the Bank.

Participants

During the preliminary review period—up to the time the Panel makes a recommendation to the Board on whether or not the matter should be investigated—the Panel will accept statements or evidence from (a) the Requester, i.e., either the affected people and/or their duly appointed representative, or an Executive Director; (b) Management; and, (c) any other individual or entity invited by the Panel to present information or comments.

During an investigation, any person who is either a party to the investigation or who provides the designated Inspector(s) with satisfactory evidence that he/she has an interest, apart from any interest in common with the public, will be entitled to submit information or evidence relevant to the investigation.

Administration

The Panel has approved separate Administrative Procedures which are available from the Office of The Inspection Panel.

Please note that all headings are for ease of reference only. They do not form part of these procedures and do not constitute an interpretation thereof.

SUBJECT MATTER OF REQUESTS

Scope

1. The Panel is authorized to accept requests for inspection ("Request(s)") which claim that an actual or threatened material adverse effect on the affected party's rights or interests arises directly out of an action or omission of the Bank as a result of a failure by the Bank to follow its own operational policies and procedures during the design, appraisal and/or implementation of a Bank financed project. Before submitting a Request steps must have already been taken (or efforts made) to bring the matter to the attention of Management with a result unsatisfactory to the Requester.

Limitations

- 2. The Panel is not authorized to deal with the following:
 - (a) complaints with respect to actions which are the responsibility of other parties, such as the borrower, or potential borrower, and which do not involve any action or omission on the part of the Bank;
 - (b) complaints against procurement decisions by Bank borrowers from suppliers of goods and services financed or expected to be financed by the Bank under a loan/credit agreement, or from losing tenderers for the supply of any such goods and services, which will continue to be addressed by Bank staff under existing procedures;
 - (c) Requests filed after the Closing Date of the loan/credit financing the project with respect to which the Request is filed or when 95% or more of the loan/credit proceeds have been disbursed; or

(d) Requests related to a particular matter or matters over which the Panel has already made its recommendation after having received a prior Request, unless justified by new evidence or circumstances not known at the time of the prior Request.

PREPARATION OF A REQUEST

3. The Panel's operational proceedings begin when a Request is received. This section of the procedures is primarily designed to give further guidance to potential Requesters on what facts and explanations they should provide.

A. Who Can File a Request

- 4. The Panel has authority to receive Requests which complain of a violation of the Bank's policies and procedures from the following people or entities:
 - (a) any group of two or more people in the country where the Bank financed project is located who believe that as a result of the Bank's violation their rights or interests have been, or are likely to be adversely affected in a direct and material way. They may be an organization, association, society or other grouping of individuals; or
 - (b) a duly appointed local representative acting on explicit instructions as the agent of adversely affected people; or
 - (c) in exceptional cases, referred to in paragraph 11 below, a foreign representative acting as agent of adversely affected people; or
 - (d) an Executive Director of the Bank in special cases of serious alleged violations of the Bank's policies and procedures.

B. Contents of a Request

- 5. In accordance with the Resolution, Requests should contain the following information:
 - (a) a description of the project, stating all the relevant facts including the harm suffered by or threatened to the affected party;
 - (b) an explanation of how Bank policies, procedures or contractual documents were seriously violated;
 - (c) a description of how the act or omission on the part of the Bank has led or may lead to a violation of the specific provision;
 - (d) a description of how the party was, or is likely to be, materially and adversely affected by the Bank's act or omission and what rights or interests of the claimant were directly affected;
 - (e) a description of the steps taken by the affected party to resolve the violations with Bank staff, and explanation of why the Bank's response was inadequate;
 - (f) in Requests relating to matters previously submitted to the Panel, a statement specifying what new evidence or changed circumstances justify the Panel revisiting the issue; and
 - (g) if some of the information cannot be provided, an explanation should be included.

C. Form of Request

Written

6. All Requests must be submitted in writing, dated and signed by the Requester, and contain his/her name and contact address.

Format

7. No specific form is necessary: a letter will suffice. A Requester may wish to refer to the guidance and use the model form specifying required information. (Included at the end of this annex, "Guidance on How to Prepare a Request for Inspection.")

Language

8. The working language of the Panel is English. Requests submitted directly by affected people themselves may be in their local language if they are unable to obtain a translation. If requests are not in English, the time needed to translate and ensure an accurate and agreed translation may delay acceptance and consideration by the Panel.

Representatives

- 9. If the Requester is a directly affected person or entity representing affected people, written signed proof that the representative has authority to act on their behalf must be attached.
- 10. If the Request is submitted by a non-affected representative, he/she must provide evidence of representational authority and the names and contact address of the party must be provided. Proof of representational authority, which shall consist of the original signed copy of the affected party's explicit instructions and authorization, must be attached.
- 11. In addition, in the cases of non-local representation, the Panel will require clear evidence that there is no adequate or appropriate representation in the country where the project is located.

Documents

- 12. The following documents should be attached:
 - (a) all correspondence with Bank staff;
 - (b) notes of meetings with Bank staff;
 - (c) a map or diagram, if relevant, showing the location of the affected party or area affected by the project; and
 - (d) any other evidence supporting the complaint.
- 13. If all the information listed cannot be provided an explanation should be included.

D. Delivery of Request

14. Requests must be sent by registered or certified mail or delivered by hand in a sealed envelope against receipt to the Office of The Inspection Panel at 1818 H Street, N.W., Washington, D.C. 20433, U.S.A. or to the Bank's resident representative in the country where the project is located. In the latter case, the resident representative

shall, after issuing a receipt to the Requester, forward the Request to the Panel through the next pouch.

E. Advice on Preparation

15. People or entities seeking advice on how to prepare and submit a Request may contact the Office of The Inspection Panel, which will provide information or may meet and discuss the requirements with potential requesters.

PROCEDURES ON RECEIPT OF A REQUEST

16. When the Panel receives a Request the Chairperson, on the basis of the information contained in the Request, shall either promptly register the Request, or ask for additional information, or find the Request outside the Panel's mandate.

A. Register

17. If the request, appears to contain sufficient required information the chairperson shall register the Request in the Panel Register; promptly notify the Requester, the Executive Directors and the Bank President ("President") of the registration; and transmit to the President a copy of the Request with the accompanying documentation, if any.

Contents of Notice

- 18. The notice of registration shall:
 - (a) record that the Request is registered and indicate the date of the registration and dispatch of that notice;
 - (b) the notice will include the name of the project, the country where the project is located, the name of the Requester unless anonymity is requested, and a brief description of the Request;
 - (c) notify the Requester that all communications in connection with the Request will be sent to the address stated in the Request, unless another address is indicated to the Panel Secretariat; and
 - (d) request Management to provide the Panel, within 21 days after receipt of the notice and Request, with written evidence that it has complied, or intends to comply with the Bank's relevant policies and procedures. The notice shall specify the due date of the response.

B. Request Additional Information

- 19. If the chairperson finds the contents of the Request or documentation on representation insufficient, he/she may ask the Requester to supply further information.
- 20. Upon receipt of a Request, the chairperson shall send a written acknowledgement to the Requester, and will specify what additional information is required.
- 21. The Chairperson may refuse to register a Request until all necessary information and documentation is filed.

C. Outside Scope

- 22. If the chairperson finds, that the matter is without doubt manifestly outside the Panel's mandate, he/she will notify the Requesters, of his/her refusal to register the Request and of the reasons therefore; this will include but not be limited to the following types of communications:
 - (a) Requests which are clearly outside the Panel's mandate including those listed above at paragraph 2;
 - (b) Requests which do not show the steps taken or effort made to resolve the matter with Management;
 - (c) Requests from an individual or from a non-authorized representative of an affected party;
 - (d) any correspondence, including but not limited to letters, memoranda, opinions, submissions or requests on any matter within the Panel's mandate which are not requests for an inspection; and
 - (e) Requests that are manifestly frivolous, absurd or anonymous.

Records

23. The number of such Requests and communications received shall be noted in the Register on a quarterly basis and the yearly total included in the Annual Report.

D. Need for Review

24. In cases where additional information is required, or where it is not clear whether a Request is manifestly outside the Panel's mandate, the Chairperson shall designate a Panel member to review the Request.

E. Revised Request

- 25. If the Requester receives significant new evidence or information at any time after the initial Request was submitted, he/she may consider whether or not it is serious enough to justify the submission of a revised Request.
- 26. If a revised Request is submitted, the time periods for Management's response and the Panel recommendation will begin again from the time such Request is registered.

MANAGEMENT'S RESPONSE

- 27. Within 21 days after being notified of a Request, Management shall provide the Panel with evidence that it has complied, or intends to comply with the Bank's relevant policies and procedures. After the Panel receives Management's response, it shall promptly enter the date of receipt in the Panel Register.
- 28. If there is no response from Management within 21 days, the Panel shall notify the President and the Executive Directors and send a copy to the Requester.

Clarification

- 29. In order to make an informed recommendation, the Panel may request clarification from Management; in the light of Management's response, request more information from the Requester; and provide relevant portions of Management's response for comment. A time limit for receipt of the information requested shall be specified; and
 - (a) whether or not such clarification or information is received within the time limit, make its recommendation to the Executive Directors within 21 days after receipt of Management's response; or
 - (b) in the event it is not possible for the Requester to provide the information quickly, the Panel may advise the Requester to submit an amended Request; the Executive Directors and Bank management will be notified that the process will begin again when the amended Request is received.

PANEL RECOMMENDATION

30. Within 21 days after receiving Management's response, the Panel shall make a recommendation to the Executive Directors as to whether the matter should be investigated.

A. Basis

- 31. The Panel shall prepare its recommendation to the Board on the basis of the information contained in:
 - (a) the Request:
 - (b) Management's response;
 - (c) any further information the Panel may have requested and received from the Requester and/or Management and/or third parties; and
 - (d) any findings of the Panel during this stage.

B. Required Criteria

- 32. If, on the basis of the information contained in the Request, it has not already been established that the Request meets the following three conditions required by the Resolution, the Chairperson, in consultation with the other Panel members may, if necessary, designate a Panel member to conduct a preliminary review to determine whether the Request:
 - (a) was filed by an eligible party;
 - (b) is not timebarred; and
 - (c) relates to a matter falling within the Panel's mandate.

Criteria for Satisfactory Response

33. The Panel may proceed to recommend that there should not be an investigation, if, on the basis of the information contained in the Request and Management's response, the Panel is satisfied that Management has done the following:

- (a) dealt appropriately with the subject matter of the Request; and
- (b) demonstrated clearly that it has followed the required policies and procedures; or
- (c) admitted that it has failed to follow the required policies and procedures but has provided a statement of specific remedial actions and a timetable for implementing them, which will, in the judgment of the Panel, adequately correct the failure and any adverse effects such failure has already caused.

Preliminary Review

- 34. If, on the basis of the information contained in Management's response and any clarifications provided, the Panel is satisfied that Management has failed to demonstrate that it has followed, or is taking adequate steps to follow the Bank's policies and procedures, the Panel will conduct a preliminary review in order to determine whether conditions required by provisions of the Resolution exist.
- 35. Although it may not investigate Management's actions in depth at this stage, it will determine whether Management's failure to comply with the Bank's policies and procedures meets the following three conditions:
 - (a) whether such failure has had, or threatens to have, a material adverse effect;
 - (b) whether, the alleged violation of the Bank's policies and procedures are, in the judgment of the Panel, of a serious character; and
 - (c) whether remedial actions proposed by Management do not appear adequate to meet the concerns of the Requester as to the application of the Bank's policies and procedures.

Initial Study

36. If the Chairperson considers, after the preliminary review and consultation with the other Panel members, that more factual data not already provided by the Requester, Management or any other source is required to make an informed recommendation to the Executive Directors, he/she may designate a Panel member to undertake a preliminary study. The study may include, but need not be limited to, a desk study and/or a visit to the project site.

C. Contents

- 37. On the basis of the review, the Panel shall make its recommendation to the Board as to whether the matter should be investigated. Every recommendation shall include a clear explanation setting forth reasons for the recommendation and be accompanied by:
 - (a) the text of the Request and, where applicable, any other relevant information provided by the Requester;
 - (b) the text of Management's response and, where applicable, any clarifications provided;
 - (c) the text of any advice received from the Bank's Legal Department;
 - (d) any other relevant documents or information received; and

(e) statements of the majority and minority views in the absence of a consensus by the Panel.

D. Submission

38. The recommendation shall be circulated by the Executive Secretary of the Panel to the Executive Directors for decision. The Panel will notify the Requester that a recommendation has been sent to the Executive Directors.

BOARD DECISION AND PUBLIC RELEASE

39. The Board decides whether or not to accept or reject the Panel's recommendation; and, if the Requester is a nonlocal representative, whether exceptional circumstances exist and suitable local representation is not available.

Notification

40. The Panel shall promptly inform the Requester of the Board's decision on whether or not to investigate the Request and shall send the Requester a copy of the Panel's recommendation.

Public Information

41. After the Executive Directors have considered a Request the Bank shall make such Request publicly available together with the Panel's recommendation on whether to proceed with the inspection and the decision of the Executive Directors in this respect.

AN INVESTIGATION

A. Initial Procedures

- 42. When a decision to investigate a Request is made by the Board, or the Board itself requests an investigation, the Chairperson shall promptly:
 - (a) designate one or more of the Panel's members (Inspector(s)) to take primary responsibility for the investigation;
 - (b) arrange for the Panel members to consult, taking into account the nature of the particular Request, on:
 - (i) the methods of investigation that at the outset appear the most appropriate;
 - (ii) an initial schedule for the conduct of the investigation;
 - (iii) when the Inspector(s) shall report his/her (their) findings to the Panel, including any interim findings; and
 - (iv) any additional procedures for the conduct of the investigation.
- 43. The designated Inspector(s) shall, as needed, arrange for a meeting with the Requester and schedule discussions with directly affected people.
- 44. The name of the Inspector(s) and an initial work plan shall be made public as soon as possible.

B. Methods of Investigation

- 45. The Panel may, taking into account the nature of the particular Request, use a variety of investigatory methods, including but not limited to:
 - (a) meetings with the Requester, affected people, Bank staff, government officials and project authorities of the country where the project is located, representatives of local and international non-governmental organizations;
 - (b) holding public hearings in the project area;
 - (c) visiting project sites;
 - (d) requesting written or oral submissions on specific issues from the Requester, affected people, independent experts, government or project officials, Bank staff, or local or international non-governmental organizations;
 - (e) hiring independent consultants to research specific issues relating to a Request;
 - (f) researching Bank files; and
 - (g) any other reasonable methods the Inspector(s) consider appropriate to the specific investigation.

Consent Required

46. In accordance with the Resolution, physical inspection in the country where the project is located will be carried out with prior consent. The Chairperson shall request the Executive Director representing such country to provide written consent.

C. Participation of Requester

- 47. During the course of the investigation, in addition to any information requested by the Inspector(s), the Requester (and affected people if the Requester is a non-affected Representative or an Executive Director) or Bank staff may provide the Inspector(s) either directly or through the Executive Secretary with supplemental information that they believe is relevant to evaluating the Request.
- 48. The Inspector(s) may notify the Requester of any new material facts provided by Bank staff or by the Executive Director for, or authorities in the country where the project is located.
- 49. To facilitate understanding of specific points, the Panel may discuss its preliminary findings of fact with the Requester.

D. Participation of Third Parties

- 50. During the course of the investigation, in addition to any information requested by the Inspector(s), any member of the public may provide the Inspector(s), either directly or through the Executive Secretary, with supplemental information that they believe is relevant to evaluating the Request.
- 51. Information should not exceed ten pages and include a one-page summary. Supporting documentation may be listed and attached. The Inspector(s) may request more details if necessary.

PANEL REPORT

Contents

- 52. The report of the Panel (the "Report") shall include the following:
 - (a) a summary discussion of the relevant facts and of the steps taken to conduct the investigation;
 - (b) a conclusion showing the Panel's findings on whether the Bank has complied with relevant Bank policies and procedures;
 - (c) a list of supporting documents which will be available on request from the Office of The Inspection Panel; and
 - (d) statements of the majority and minority views in the absence of a consensus by the Panel.

Submission

- 53. Upon completion of the Report, the Panel shall submit it to:
 - (a) the Executive Directors: accompanied by notification that the Report is being submitted to the President on the same date; and
 - (b) the President: accompanied by a notice against receipt that within 6 weeks of receipt of the Report, Management must submit to the Executive Directors for their consideration a report indicating Management's recommendations in response to the Panel's findings.

MANAGEMENT'S RECOMMENDATIONS

54. Within 6 weeks after receiving the Panel's findings, Management will submit to the Executive Directors for their consideration a report indicating its recommendations in response to the Panel's findings. Upon receipt of a copy of the report, the Panel will notify the Requester.

BOARD DECISION AND PUBLIC RELEASE

- 55. Within 2 weeks after the Executive Directors consider the Panel's Report and the Management's response, the Bank shall inform the Requester of the results of the investigation and the action decided by the Board, if any.
- 56. After the Bank has informed the Requester, the Bank shall make publicly available:
 - (a) the Panel's Report;
 - (b) Management's recommendations; and
 - (c) the Board's decision.

These documents will also be available at the Office of The Inspection Panel.

57. The Panel will seek to enhance public awareness of the results of investigations through all available information sources.

GENERAL

Business Days

58. "Days" under these procedures means days on which the Bank is open for business in Washington, D.C.

Copies

59. Consideration of Requests and other documents submitted throughout the process will be expedited if an original and two copies are filed. When any document contains extensive supporting documentation the Panel may ask for additional copies.

Consultations

60. The borrower and the Executive Director representing the borrowing (or guaranteeing) country shall be consulted on the subject matter before the Panel's recommendation and during an investigation.

Access to Bank Staff and Information

61. Pursuant to the Resolution and in discharge of their functions, the members of the Panel shall have access to all Bank staff who may contribute information and to all pertinent Bank records and shall consult as needed with the Director General, Operations Evaluation Department, and the Internal Auditor.

Legal Advice

62. The Panel shall seek, through the Vice President and General Counsel of the Bank, the written advice of the Bank's Legal Department on matters related to the Bank's rights and obligations with respect to the Request under consideration. Any such advice will be included as an attachment to the Panel's recommendation and/or Report to the Executive Directors.

Confidentiality

63. Documents, or portions of documents of a confidential nature will not be released by the Panel without the express written consent of the party concerned.

Information to Requester and Public

- 64. The Executive Secretary shall record in the Register all actions taken in connection with the processing of the Request, the dates thereof, and the dates on which any document or notification under these procedures is received in or sent from the Office of The Inspection Panel. The Requester shall be informed promptly. The Register will be publicly available.
- 65. A notice that a Request has been registered and all other notices or documents issued by the Panel will be available to the public through the Bank's PIC in Washington, D.C.; at the Bank's Resident Mission in the country where the project is located or at the relevant regional office; at the Bank's Paris, London, and Tokyo offices; or on request from the Executive Secretary of the Panel.

GUIDANCE ON HOW TO PREPARE A REQUEST FOR INSPECTION

The Inspection Panel needs some basic information in order to process a Request for Inspection:

- 1. Name, contact address, and telephone number of the group or people making the request.
- 2. Name and description of the Bank-financed project.
- 3. Adverse effects of the Bank project.
- 4. If you are a representative of affected people attach explicit written instructions from them authorizing you to act on their behalf.

These key questions must be answered:

- 1. Can you elaborate on the nature and importance of the damage caused by the project to you or those you represent?
- 2. What aspect of the project has or may affect you adversely? How did you determine this?
- 3. Are you familiar with Bank policies and procedures that apply to this type of project? How do you believe the Bank may have violated them?
- 4. Have you contacted or attempted to contact Bank staff about the project? Please provide information about all contacts, and the responses, if any, you received from the Bank. You must have done this before you can file a request.
- 5. Have you tried to resolve your problem through any other means?
- 6. If you know that the Panel has dealt with this matter before, do you have new facts or evidence to submit?

Please provide a summary of the information in no more than a few pages. Attach as much other information as you think necessary as separate documents. Please note and identify attachments in your summary.

You may wish to use the attached model form.

MODEL FORM:

REQUEST FOR INSPECTION

To: Executive Secretary, The Inspection Panel 1818 H Street NW, MSN 10-1007, Washington, DC 20433, USA Fax No. 202-522-0916; or c/o the appropriate World Bank Country Office

- 1. We [insert names] live and/or represent others who live in the area known as [insert name of area]. Our addresses are attached.
- 2. We have suffered, or are likely to suffer, harm as a result of the World Bank's failures or omissions in the [insert name and/or brief description of the project or program] located in [insert location/country].
- 3. [Describe the damage or harm you are suffering or are likely to suffer from the project or program]
- 4. [List (if known) the World Bank's operational polices you believe have not been observed]
- 5. We have complained to World Bank staff on the following occasions [list dates] by [explain how the complaint was made]. We have received no response, [or] we have received a response and we are not satisfied that the explanations and answers solve our problems for the following reasons:
- 6. We request the Inspection Panel recommend to the World Bank's Executive Directors that an investigation of these matters be carried out.

Signatures:

Date:

Contact address, telephone number, fax number, and email address:

List of attachments

We [do/do not] authorize you to disclose our identities

SUMMARY OF INSPECTION PANEL CASES^a

JUNE 30, 2005

	REQUEST (SHORT FORM)	REQUEST RECEIVED	REQUEST REGISTERED	INSPECTION PANEL RECOMMENDATION	RECOMMENDATION APPROVED BY THE BOARD	PANEL'S ACTIVITY
1.	Nepal: Arun III Proposed Hydroelectric Project and Restructuring of IDA Credit	October 24, 1994	Yes	Investigation	Yes	Eligibility Report and Investigation Report
2.	Ethiopia: Compensation for Expropriation and Extension of IDA Credit	May 2, 1995	No	-	-	-
3.	Tanzania: Power VI Project	May 16, 1995	Yes	No investigation	Yes	Eligibility Report
4.	Brazil: Rondônia Natural Resources Management Project	June 16, 1995	Yes	Investigation	No	Eligibility Report, Additional Review report, and Review of Progress in Implementation
5.	Chile: Financing of Hydroelectric Dams in the Bío-Bío River	November 17, 1995	No	-	-	-
6.	Bangladesh: Jamuna Multipurpose Bridge Project	August 23, 1996	Yes	No investigation	Yes	Eligibility Report, and Report on Progress on Implementation of Action Plan
7.	Argentina/Paraguay: Yacyretá Hydroelectric Project (1996)	September 30, 1996	Yes	Investigation	No	Eligibility Report and Review of Present Project Problems and Assessment of Action Plans
8.	Bangladesh: Jute Sector Adjustment Credit	November 13, 1996	Yes	No investigation	Yes	Eligibility Report

^a Normally, the Panel advises the Executive Directors and the president when it receives a Request for Inspection that it cannot process (as it did in the Requests regarding Ethiopia: Compensation for Expropriation and Extension of IDA Credit; Chile: Bío-Bío River; India: NTPC, Second Request; Cameroon: Pipeline Project, Second Request; and Burundi: Public Works and Employment Creation Project). The Inspection Panel received a letter, dated August 27, 1999, also addressed to the president and the Executive Directors of the World Bank, requesting for the second time the "installation of an Inspection Panel" to investigate the Itaparica Resettlement and Irrigation Project in Brazil. Because the Bank's loans for this project were then long closed, the Panel was precluded from processing this Request. Furthermore, as the Request had been already addressed to the president and Executive Directors, no action on the part of the Panel was necessary. However, some regard this extemporaneous request as a formal Request for Inspection that should be added to the Panel's records.

	REQUEST (SHORT FORM)	REQUEST RECEIVED	REQUEST REGISTERED	INSPECTION PANEL RECOMMENDATION	RECOMMENDATION APPROVED BY THE BOARD	PANEL'S ACTIVITY
9.	Brazil: Itaparica Resettlement and Irrigation Project	March 12, 1997	Yes	Investigation	No	Eligibility Report and Action Plan review
10.	India: National Thermal Power Corporation (NTPC) Power Generation Project	May 1, 1997	Yes	Investigation	Yes	Eligibility Report and Report on Desk Investigation
11.	India: Ecodevelopment Project	April 2, 1998	Yes	Investigation	No	Eligibility Report
12.	Lesotho/South Africa: Phase 1B of Lesotho Highlands Water Project (1998)	May 6, 1998	Yes	No investigation	Yes	Eligibility Report
13.	Nigeria: Lagos Drainage and Sanitation Project	June 17, 1998	Yes	No investigation	Yes	Eligibility Report
14.	Brazil: Land Reform Poverty Alleviation Project	December 14, 1998	Yes	No investigation	Yes	Eligibility Report
15.	Lesotho: Highlands Water Project (1999)	April 26, 1999	Yes	No investigation	Yes	Eligibility Report
16.	China: Western Poverty Reduction Project	June 18, 1999	Yes	Investigation	Yes	Eligibility Report and Investigation Report
17.	Argentina: Special Structural Adjustment Loan	July 26, 1999	Yes	No investigation	Yes	Eligibility Report
18.	Brazil: Land Reform Poverty Alleviation Project, Second Request	September 14, 1999	Yes	No investigation	Yes	Eligibility Report
19.	Kenya: Lake Victoria Environmental Management Project	October 12, 1999	Yes	Investigation	Yes	Eligibility Report and Investigation Report
20.	Ecuador: Mining Development and Environmental Control Technical Assistance Project	December 13, 1999	Yes	Investigation	Yes	Eligibility Report and Investigation Report
21.	India: NTPC Power Generation Project, Second Request	November 27, 2000	No	-	-	-
22.	Chad: Petroleum Development and Pipeline Project, Management of the Petroleum Economy Project, and Petroleum Sector Management Capacity Building Project	March 22, 2001	Yes	Investigation	Yes	Eligibility Report and Investigation Report
23.	India: Coal Sector Environmental and Social Mitigation Project and Coal Sector Rehabilitation Projec		Yes	Investigation	Yes	Eligibility Report and Investigation Report

	REQUEST (SHORT FORM)	REQUEST RECEIVED	REQUEST REGISTERED	INSPECTION R PANEL RECOMMENDATION	ECOMMENDATION APPROVED BY THE BOARD	PANEL'S ACTIVITY
24.	Uganda: Third Power Project, Fourth Power Project, and proposed Bujagali Hydropower Projec	July 27, 2001 ct	Yes	Investigation	Yes	Eligibility Report and Investigation Report
25.	Papua New Guinea: Governance Promotion Adjustment Loan	December 6, 2001	Yes	No investigation	Yes	Eligibility Report
26.	Paraguay/Argentina: Reform Project for the Water and Telecommunication Sectors, SEGBA V Power Distribution Project (Yacyretá 2002)	May 17, 2002	Yes	Investigation	Yes	Eligibility Report and Investigation Report
27.	Cameroon: Petroleum Development and Pipeline Project, and Petroleum Environment Capacity Enhancement Project	September 25, 2002	Yes	Investigation	Yes	Eligibility Report and Investigation Report
28.	Philippines: Manila Second Sewerage Project (MSSP)	September 26, 2003	Yes	No recommendation as the Requesters fai to satisfy a procedure criterion—that the Requesters had brou the subject matter to Management's atten and that, in the Requiew, Management for respond adequate	eled al ght o tion uester's ailed	Eligibility Report
29.	Cameroon: Petroleum Development and Pipeline Project (not registered)	November 26, 2003	No	-	-	-
30.	Mexico: Indigenous and Community Biodiversity Project (COINBIO)	January 26, 2004	Yes	In fairness to all part concerned, the Pane could not take a pos on whether the Requ merits an investigation and awaits further developments.	l ition uest	Eligibility Report
31.	Colombia: Cartagena Water Supply, Sewerage and Environmental Management Project	April 20, 2004	Yes	Investigation	Yes	Investigation Report completed and submitted to the Board of Executive Directors
32.	India: Mumbai Urban Transport Project	April 28, 2004	Yes	Investigation	Yes	Investigation Ongoing
33.	India: Mumbai Urban Transport Project– Gazi Nagar	June 29, 2004	Yes	Investigation	Yes	Investigation Ongoing

	REQUEST (SHORT FORM)	REQUEST RECEIVED	REQUEST REGISTERED	INSPECTION PANEL RECOMMENDATION	RECOMMENDATION APPROVED BY THE BOARD	PANEL'S ACTIVITY
34.	Burundi: Public Works and Employment Creation Project	September 17, 2004	No	-	-	-
35.	Pakistan: National Drainage Program Project	September 10, 2004	Yes	Investigation	Yes	Investigation Ongoing
36.	Cambodia: Forest Concession Management and Control Pilot Project	January 28, 2005	Yes	Investigation	Yes	Investigation Ongoing

ALLEGED VIOLATIONS OF POLICIES AND PROCEDURES PER REQUEST

JUNE 30, 2004

	DATE REQUEST RECEIVED	REQUEST	POLICIES AND PROCEDURES RAISED IN THE REQUEST FOR INSPECTION
1.	10/24/1994	Nepal: Arun III Proposed Hydroelectric Project and Restructuring of IDA Credit	Economic evaluation of investment operations (OP/BP 10.04) Disclosure of information (BP 17.50) Investment lending–Identification to Board presentation (OP/BP 10.00 Environmental assessment (OD 4.01) Involuntary resettlement (OD 4.30) Indigenous peoples (OD 4.20)
2.	05/2/1995	Ethiopia: Compensation for Expropriation and Extension of IDA Credits to Ethiopia (not registered)	Dispute over defaults on external debt, expropriation, and breach of contract (OMS 1.28)
3.	05/16/1995	Tanzania: Power VI Project	Article V Section 1(c), IDA Articles of Agreement Article V Section 1(d), IDA Articles of Agreement Article V Section 1(g), IDA Articles of Agreement Environmental aspects of Bank work (OMS 2.36) Environmental assessment (OD 4.01)
4.	06/16/1995	Brazil: Rondônia Natural Resources Management Project	Project supervision (OD 13.05) Forestry policy (OP 4.36) Wildlands (OP 11.02) Indigenous peoples (OD 4.20) Involving NGOs in Bank-supported activities (OD 14.70) Project monitoring and evaluation (OD 10.70) Investment lending-Identification to Board presentation (OP/BP 10.00 Suspension of disbursements (OD 13.40) Accounting, financial reporting, and auditing (OD 10.60) Procurement (OD 11.00) Use of consultants (OD 11.10) Borrower compliance with audit covenants (OD 13.10)
5.	11/17/1995	Chile: Financing of Hydroelectric Dams in the Bío-Bío River (not registered)	Environmental policy for dam and reservoir project, Annex B (OD 4.00) Indigenous peoples (OD 4.20) Wildlands (OPN 11.02) Management of cultural property (OPN 11.03) Involuntary resettlement (OD 4.30) Project supervision (OD 13.05)

continued

	DATE REQUEST RECEIVED	REQUEST	POLICIES AND PROCEDURES RAISED IN THE REQUEST FOR INSPECTION
6.	08/23/1996	Bangladesh: Jamuna Multipurpose Bridge Project	Environmental assessment (OD 4.01 and Annexes) Involuntary resettlement (OD 4.30) Involving NGOs in Bank-supported activities (OD 14.70)
7.	09/30/1996	Argentina/Paraguay: Yacyretá Hydroelectric Project	Environmental policy for dam and reservoir projects (OD 4.00, Annex B) Environmental assessment (OD 4.01) Indigenous peoples (OD 4.20) Involuntary resettlement (OD 4.30) Project monitoring and evaluation (OD 10.70) Project supervision (OD 13.05) Wildlands (OPN 11.02) Management of cultural property (OPN 11.03) Environmental aspects of Bank work (OMS 2.36) Suspension of disbursements (OD 13.40)
8.	11/13/1996	Bangladesh: Jute Sector Adjustment Credit	Adjustment lending policy (OD 8.60) Project supervision (OD 13.05) Suspension of disbursements (OP 13.40)
9.	03/12/1997	Brazil: Itaparica Resettlement and Irrigation Project	Environmental policy for dam and reservoir projects (OD 4.00, Annex B) Environmental assessment (OD 4.01) Involuntary resettlement (OD 4.30) Indigenous peoples (OD 4.20) Project supervision (OD 13.05)
10.	05/1/1997	India: NTPC Power Generation Project	Economic evaluation of investment operations (OP/BP 10.04) Environmental assessment (OD 4.01) Involuntary resettlement (OD 4.30) Indigenous peoples (OD 4.20) Project supervision (OD 13.05)
11.	04/2/1998	India: Ecodevelopment Project	Indigenous peoples (OD 4.20) Involuntary resettlement (OD 4.30) Forestry (OP 4.36)
12.	05/6/1998	Lesotho/South Africa: Phase 1B of Lesotho Highlands Water Project	Environmental policy for dam and reservoir projects (OD 4.00, Annex B) Economic evaluation of investment operations (OP/BP 10.04) Poverty alleviation (OD 4.15) Water resources and management (OP 4.07)
13.	06/17/1998	Nigeria: Lagos Drainage and Sanitation Project	Involuntary resettlement (OD 4.30) Poverty alleviation (OD 4.15) Gender dimensions of development (OP 4.20) Project monitoring and evaluation (OD 10.70) Economic evaluation of investment operations (OP/BP 10.04) Article V, Section 1(g), IDA Articles of Agreement
14.	12/14/1998	Brazil: Land Reform Poverty Alleviation Project	Poverty alleviation (OD 4.15) Disclosure of information (BP 17.50) Environmental assessment (OD 4.01) Involving NGOs in Bank-supported activities (GP 14.70)
15.	04/26/1999	Lesotho: Highlands Water Project	Disputes over defaults on external debt, expropriation, and breach of contract (OP/BP 7.40) Disclosure of information (BP 17.50)

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	DATE REQUEST RECEIVED	REQUEST	POLICIES AND PROCEDURES RAISED IN THE REQUEST FOR INSPECTION
16.	06/18/1999	China: Western Poverty Reduction Project	Disclosure of information (BP 17.50) Involuntary resettlement (OD 4.30) Environmental assessment (OD 4.01) Indigenous peoples (OD 4.20) Pest management (OP 4.09) Safety of dams (OP/BP 4.37) Retroactive financing (OP 12.10) Investment lending (OP/BP 10.00)
17.	07/26/1999	Argentina: Special Structural Adjustment Loan	Project supervision (OD 13.05) Poverty alleviation (OD 4.15) Project monitoring and evaluation (OP/BP 10.70) Suspension of disbursements (OP/BP 13.40) Disclosure of information (BP 17.50)
18.	09/14/1999	Brazil: Land Reform Poverty Alleviation Project, Second Request	Poverty alleviation (OD 4.15) Disclosure of information (BP 17.50) Project supervision (OD 13.05)
19.	10/12/1999	Kenya: Lake Victoria Environmental Management Project	Environmental assessment (OD 4.01) Poverty alleviation (OD 4.15) Economic evaluation of investment projects (OP/BP 10.04) Project supervision (OD 13.05)
20.	12/13/1999	Ecuador: Mining Development and Environmental Control Technical Assistance Project	Environmental assessment (OD 4.01) Wildlands (OPN 11.02) Indigenous peoples (OD 4.20) Project supervision (OD 13.05)
21.	11/27/2000	India: NTPC Power Generation Project, Second Request (not registered)	Involuntary resettlement (OD 4.30) Project supervision (OD 13.05) Environmental assessment (OD 4.01)
22.	03/22/2001	Chad: Petroleum Development and Pipeline Project, Management of the Petroleum Economy Project, and Petroleum Sector Management Capacity Building Project	Environmental assessment (OD 4.01) Natural habitats (OP 4.04) Pest management (OP 4.09) Poverty alleviation (OD 4.15) Indigenous peoples (OD 4.20) Forestry (OP 4.36) Disclosure of information (BP 17.50) Economic evaluation of investment operations (OP/BP 10.04) Management of cultural property (OPN 11.03) Project supervision (OD 13.05)
23.	06/21/2001	and Social Mitigation Project and	Environmental assessment (OD 4.01) Indigenous peoples (OD 4.20) Involuntary resettlement (OD 4.30) Disclosure of information (BP 17.50) Management of cultural property (OPN 11.03) Project supervision (OD 13.05)
24.	07/27/2001	Uganda: Third Power Project, Fourth Power Project, and proposed Bujagali Hydropower Project	Environmental assessment (OD/OP 4.01) Natural habitats (OP 4.04) Indigenous peoples (OD 4.20) Involuntary resettlement (OD 4.30) Safety of dams (OP/BP 4.37) Management of cultural property (OPN 11.03) Economic evaluation of investment operations (OP/BP 10.04) Poverty alleviation (OD 4.15) Disclosure of information (BP 17.50) Project monitoring and evaluation (OD 10.70) Project supervision (OD 13.05)

continued

	DATE REQUEST RECEIVED	REQUEST	POLICIES AND PROCEDURES RAISED IN THE REQUEST FOR INSPECTION
25.	12/6/2001	Papua New Guinea: Governance Promotion Adjustment Loan	Forestry (OP 4.36) Adjustment lending policy (OD 8.60) Project supervision (OD/OP/BP 13.05)
26.	05/17/2002	Paraguay: Reform Project for the Water and Telecommunication Sectors Argentina: SEGBA V Power Distribution Project	Environmental policy for dam and reservoir projects (OD 4.00, Annex B) Environmental assessment (OD 4.01) Involuntary resettlement (OD 4.30) Project supervision (OD/OP/BP 13.05) Project monitoring and evaluation (OD 10.70) Suspension of disbursements (OD 13.40)
27.	09/25/2002	Cameroon: Petroleum Development and Pipeline Project, and Petroleum Environment Capacity Enhancement Project	Environmental assessment (OD 4.01) Natural habitats (OP 4.04) Poverty reduction (OD 4.15) Indigenous peoples (OD 4.20) Involuntary resettlement (OD 4.30) Disclosure of information (BP 17.50) Project supervision (OD/OP/BP 13.05)
28.	09/26/2003	Philippines: Manila Second Sewerage Project	Environmental assessment (OD 4.01) Economic evaluation of investment operations (OP 10.04) Disclosure of information (January 2002) Project supervision (OD/OP/BP 13.05)
29.	11/26/2003	Cameroon: Petroleum Development and Pipeline Project (not registered)	Involuntary resettlement (OD 4.30)
30.	01/26/2004	Mexico: Indigenous and Community Biodiversity Project (COINBIO)	Indigenous peoples (OD 4.20) Project supervision (OD/OP/BP 13.05)
31.	04/20/2004	Colombia: Cartagena Water Supply, Sewerage and Environmental Management Project	Environmental assessment (OD 4.01) Natural habitats (OP 4.04) Water resources management (OP 4.07) Poverty reduction (OD 4.15) Indigenous peoples (OD 4.20) Financial management (OP/BP 10.02) Economic evaluation of investment operations (OP/BP 10.04) Project supervision (OD/OP/BP 13.05)
32.	04/28/2004	India: Mumbai Urban Transport Project	Environmental assessment (OP/BP 4.01) Involuntary resettlement (OD 4.30) Disclosure of information (January 2002) Project supervision (OD/OP/BP 13.05)
33.	06/29/2004	India: Mumbai Urban Transport Project–Gazi Nagar	Environmental assessment (OP/BP 4.01) Involuntary resettlement (OD 4.30) Disclosure of information (January 2002) Project supervision (OD/OP/BP 13.05)
34.	09/17/2004	Burundi: Public Works and Employment Creation Project (not registered)	Project supervision (OD/OP/BP 13.05) Procurement (OP/BP 11.00)

continued

	DATE REQUEST RECEIVED	REQUEST	POLICIES AND PROCEDURES RAISED IN THE REQUEST FOR INSPECTION
35.	09/09/2004	Pakistan: National Drainage Program Project	Environmental assessment (OD 4.01) Natural habitats (OP 4.04) Indigenous peoples (OD 4.20) Involuntary resettlement (OD 4.30) Management of cultural property (OPN 11.03)
36.	01/28/2005	Cambodia: Forest Concession Management and Control Pilot Project	Environmental assessment (OP/BP 4.01) Natural habitats (OP 4.04) Management of cultural property (OPN 11.03) Indigenous peoples (OD 4.20) Forestry (OP 4.36) Technical assistance (OP/BP 8.40) Project supervision (OD/OP/BP 13.05) Disclosure of information (January 2002)

FIGURE 2 ALL POLICIES RAISED IN REQUESTS JUNE 30, 2005

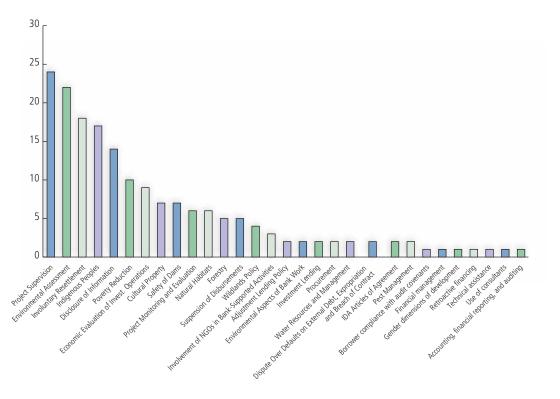
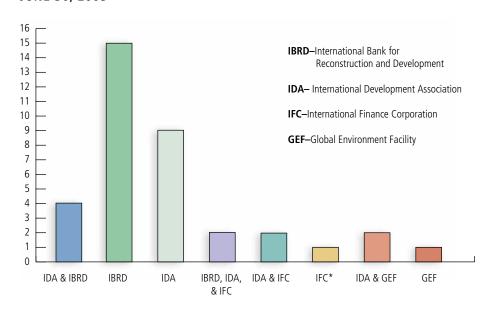


FIGURE 3
FINANCING FOR PROJECTS SUBJECT TO REQUESTS
JUNE 30, 2005



^{*} The Panel's mandate does not cover Projects financed solely by IFC. However, in November 1995, the Panel received a Request regarding a project financed by IFC, and it forwarded the Request to the Bank's president. Thereafter, in 1999, the Bank established IFC's Compliance Advisor Ombudsman.

FIGURE 4
PERCENTAGE OF REQUESTS RECEIVED PER REGION
JUNE 30, 2005

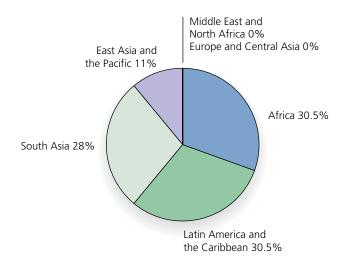
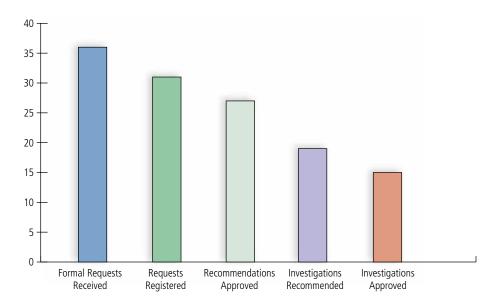
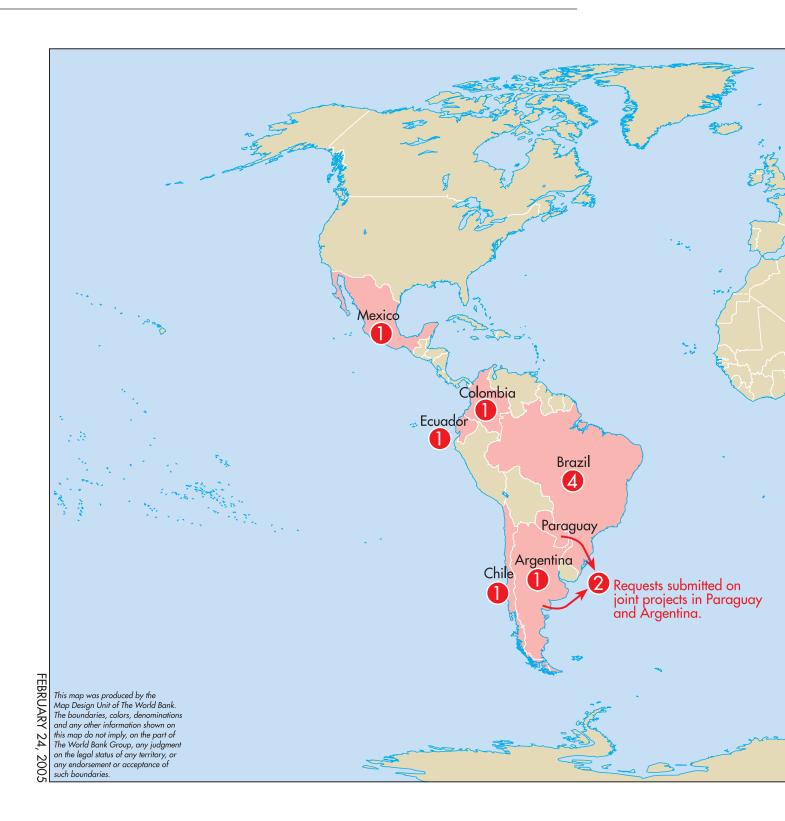
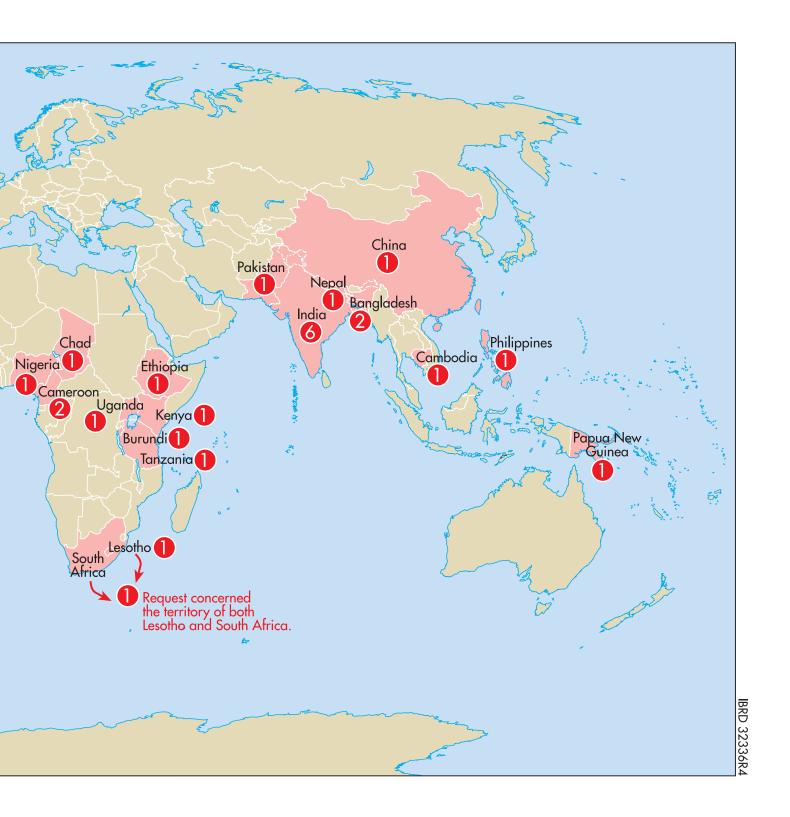


FIGURE 5 PANEL'S CASE RECORD JUNE 30, 2005



GEOGRAPHICAL DISTRIBUTION OF REQUESTS FOR INSPECTION





ANNEX 7

THE INSPECTION PANEL BUDGET

JULY 1, 2004–JUNE 30, 2005

BUDGET ITEM	\$US (THOUSANDS)
Consultants*	832.5
Salaries**	787.7
Temporary Staff	10.0
Publications	64.2
Travel	404.0
Benefits	378.6
Communications & IT Services	95.4
Equipment & Building Services	5.0
Representation & Hospitality	12.0
Contractual Services	23.5
Other Expenses	3.1
Office Occupancy	192.9
Total Expenses	2,808.9
Current Budget	2,906.2

Note: Numbers may not add to totals because of rounding.

^{&#}x27; Includes Panel Members' fees.

^{**} Includes Chairperson's Salary.



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A free publication SKU 31929