

Inspection Panel

Brazil: Teresina Enhancing Municipal Governance and Quality of Life Project Additional Financing (P146870)

Investigation Plan (January 7, 2020)

I. Introduction

On August 23, 2019, the Inspection Panel (the “Panel”) received a Request for Inspection (the “Request”) of the Teresina Enhancing Municipal Governance and Quality of Life Project – Additional Financing (the “Project”) in the State of Piauí in Brazil. The Request was submitted by 202 families who live in the Mafrense and São Joaquim neighborhoods of Teresina (the “Requesters”). The Requesters contend the resettlement under the Project will cause cultural, social and economic harm. They allege the Project will lead to their impoverishment. They add concerns about a lack of disclosure of information, consultation and opportunity to participate in the resettlement planning.

The Panel registered the Request on September 19, 2019, and received the Management Response to this Request on November 19, 2019. On November 25, 2019, the Panel recommended that an investigation be carried out into the alleged issues of harm and related non-compliance. The Board approved the Panel’s recommendation on December 13, 2019.

II. The Panel’s Recommendation

The Panel noted in its Report and Recommendation that the Requesters and the Request meet the technical eligibility criteria set forth in the Resolution establishing the Inspection Panel and the 1999 Clarification. The Panel further noted that the alleged harm is of a serious nature and there is a plausible causal link between the alleged harm and possible non-compliance by the Bank with its operational policies and procedures. In its Response, Management acknowledged some shortcomings in Bank policy application.

This document presents an outline of the investigation plan as required by the Panel’s Operating Procedures. It includes the key questions and issues to be addressed during the investigation, and a brief description of the investigation methodology. This outline is being made publicly available on the Inspection Panel website. This investigation plan is a living document and will be adjusted as needed.

III. Scope of the Investigation: Issues of Harm and Compliance

As explained above, the Requesters allege harm from the resettlement activities in Mafrense neighborhood and on Boa Esperança Avenue in the São Joaquim area as a result of the Bank’s non-compliance with its operational policies and procedures. During its eligibility visit, the Panel heard directly from the Requesters on the harms they believe are being caused by the Project. The

Panel will investigate these harms and the alleged non-compliance by the Bank with its operational policies and procedures.

The Panel's investigation will include an analysis of the following:

A. Analysis of alternatives in the designs of flood protection measures

- a. How are alternatives being considered and designed?
- b. How is the principle of avoidance of resettlement being considered for the Mafrense and Boa Esperança areas? Were alternatives considered prior to the commencement of resettlement?

B. Consultation, participation and disclosure of information

- a. Did the required consultations and disclosure of information take place before and during the development of the Resettlement Action Plans for the Mafrense and Boa Esperança areas?
- b. Was the information shared in a timely manner with Project-affected people (PAPs)? Were they consulted on resettlement options, and offered opportunities to participate in planning, implementing and monitoring resettlement?
- c. Is there in place an accessible and effective grievance mechanism? Is the grievance mechanism trusted by the PAPs?

C. Baseline studies, compensation and livelihood restoration

- a. What was the methodology used to collect census data and undertake the asset inventory? How old is the data and is it required to be updated, and at which point?
- b. Does the baseline data adequately disaggregate production systems, education, literacy levels etc. to capture the variety in income streams and income levels at household level? Does it adequately assess lost assets?
- c. What was the methodology used for calculating the compensation package? Does it compensate for lost assets at full replacement cost?
- d. What livelihood restoration measures have been put in place? What are the processes in place for the PAPs to access these measures? Do they target the different categories of resettled families (those staying in Lagoas do Norte and those resettling at Parque Brasil)? Are these measures adequate to restore the livelihoods of the PAPs, and are they varied enough to respond to socioeconomic variety among the PAPs?

D. Cultural heritage

- a. Has the Project adequately identified the cultural specificity of the communities to be resettled?
- b. If so, has it adequately assessed the Project's impact on the PAPs' traditional cultural activities, including social, spiritual and economic? Were adequate measures proposed to avoid or mitigate cultural impact?

E. Bank Supervision

- a. Was the Project supervised by the Bank in an adequate and timely fashion?
- b. Did the Bank put in place remedial measures to respond to the problems encountered during the supervision missions in a timely and adequate manner?

IV. Methodology of Fact Finding

For the purposes of this investigation, the Panel will enlist the assistance of two expert consultants, with specific expertise on respectively flood management and involuntary resettlement.

The investigation will be conducted in three phases: (i) investigation preparation and identification of expert consultants; (ii) review of documentation, staff interviews and a field visit; and (iii) report drafting and finalization. The investigation will include interactions with the Requesters, other community members, Bank staff, implementing entities, development partners and other relevant stakeholders. The Panel will make every effort to conclude the investigation within six months after this plan is disclosed.

The Panel's Investigation Report and Management Response will be made publicly available after the Board of Executive Directors meets to consider the Panel's findings and to discuss and approve the Management Response and Action Plan.