

IPN REQUEST RQ 19/10

September 19, 2019

NOTICE OF REGISTRATION**Request for Inspection****BRAZIL: Teresina Enhancing Municipal Governance and Quality of Life Project (P088966) and Teresina Enhancing Municipal Governance and Quality of Life Project Additional Financing (P146870)****Summary**

1. 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 and its Additional Financing (“the Project”). The Request was submitted by 202 families who live in the Afonso Mafrense and São Joaquim neighborhoods of Teresina (“the Requesters”). The Requesters designated three community members, Mmes. Thays Beatryce and Lúcia Araújo and Mr. Francisco Morais, to act on their behalf.
2. While the Requesters are supportive of the Project, they oppose their resettlement and claim there are other possible Project designs that would enable them to stay in their current location. They contend that community members have been living in this location for several decades and the Project will cause cultural, social and economic harm. They also raise concerns about lack of both consultation with affected communities and disclosure of information.
3. After conducting initial due diligence and confirming that the Request meets the Panel’s admissibility criteria, I am notifying you that I have, on September 19, 2019 registered this Request.

The Project

4. The Teresina Enhancing Municipal Governance and Quality of Life Project was approved in March 2008 with an IBRD loan of US\$31.13 million and US\$13.34 million in financing from the Municipality of Teresina. The Additional Financing was approved in February 2016 with IBRD financing of US\$ 88 million and US\$88 million in financing from the Municipality of Teresina. The Additional Financing sought to cover a financing gap and enable completion of the planned activities. The Project’s closing date is December 15, 2021.

5. The Project's development objectives are to "(i) modernize and improve the management capacity of Teresina Municipal Government in the financial, urban, environmental, service-delivery and economic development fields, and (ii) improve the quality of life of the low income population of the Lagoas do Norte region of the city."¹

6. The Project has three components: (i) municipal management modernization, city development and project management; (ii) integrated urban-environmental development in the Lagoas do Norte Region; and (iii) social and economic development of the Lagoas do Norte Region. Under the second component, the Project is financing: (i) interventions to optimize water supply delivery; (ii) implementation of wastewater collection, transmission and treatment systems; (iii) execution of critical urban macro- and micro-drainage interventions; (iv) actions to recuperate the natural environmental aspects of the region's lagoon and canal network and the adjacent banks of the Parnaíba and Poti rivers; (v) interventions in urban upgrading and the rehabilitation and construction of green spaces, parks, and leisure and community spaces; (vi) interventions to improve the local road network, traffic flow, access and safety in the region; and (vii) undertaking resettlement of beneficiary families from areas of risk and from other areas of Project intervention, and the implementation of housing improvements for other eligible households.

7. The Project was assigned an Environmental Category A and triggered the following safeguard policies: Environmental Assessment (OP/BP 4.01); Natural Habitats (OP/BP 4.04); Physical Cultural Resources (OP/BP 4.11); Involuntary Resettlement (OP/BP 4.12); and Safety of Dams (OP/BP 4.37).

The Request

8. The Request was submitted by 202 families who reside in the neighborhoods of Afonso Mafrense and São Joaquim in Teresina, Piauí. They oppose the resettlement under the Project and contend that there are other alternatives to avoid their displacement. They allege they "*are being drastically impacted in terms of [their] social, political, cultural and economic conditions.*"

9. The Requesters state that while some families have been included in the Resettlement Action Plan (RAP), others were left out, including those who arrived after the cutoff date for the census was established in 2014. They explain that some families have been living for 40 years in the Project area and have an attachment to their location. Some families have businesses in the area, while others rely economically on the social and family networks they have formed, according to the Requesters. They state that they are supportive of the Project and that they would like to stay in their current location and benefit from the improvements and opportunities that will come with the Project.

10. The Requesters contend that the Project resettlement violates the Bank Policy on Involuntary Resettlement as it does not consider (i) the serious economic, social, and environmental risks caused by involuntary resettlement, (ii) the impoverishment associated with loss of property and sources of income, (iii) the lack of economic opportunities in the

¹ Project Appraisal Document, 2008, p.7, and Project Paper, 2016, p.6.

new areas where people will be resettled, (iv) the existing social networks of the community and their cultural identity ties to the territory, (v) the alternatives to avoid resettlement, (vi) the possibility of the affected population to partake in Project benefits, (vii) the possibility to participate in the resettlement planning and implementation, (viii) the principle of equal asset sharing between men and women, (ix) the need for compensation payment before displacement, (x) the need for legal counseling, which is resulting in an unfair evaluation of the assets and inadequate compensation amounts, and (xi) that families who do not have formal land titles (renters, street vendors or informal sellers) are going to lose the right to access and use a portion of the land.

11. The Requesters allege that the Project lacks transparency and that there is no dialogue between the affected communities and the Municipality. According to them, they were only able to access the RAP after getting in touch with the Public Defender's and Public Prosecutor's offices.

12. The Requesters attached a letter from the Federal Public Defender's Office in Piauí that supports their Request for Inspection. The signed letter states that the Public Defender's Office has been following this Project for the past three years and, while they understand the benefits and the importance of it, *"the Project managers have not demonstrated a willingness to consider the socio-economic and cultural impacts of the Project on the affected communities that have been living in the area for decades[...]"* They also state that their office *"manifests [their] integral support to the Request for Inspection submitted by the community, hoping that the World Bank investigates in a clear and impartial manner the implementation of the project [...]"*

13. In addition, the Requesters attached a letter from the Archdiocese of Teresina's Human Rights Commission supporting their Request for Inspection. The letter emphasizes that affected communities have been living in the area for many years and their cultural identity is linked to their location and closely related to the history of the founding of Teresina. The letter states that the Project will bring benefits to the city, but should be implemented with respect to the cultural rights of the affected communities.

14. On August 26, 2019, the Panel received a letter from the Public Prosecutor's Office of the State of Piauí requesting the Panel's intervention. According to the letter, the Public Prosecutor's Office recommended to the Municipality of Teresina that it stops the resettlement process under the Project, but the Municipality disregarded this recommendation and instead expedited the process. The letter also points out that the Municipality has not provided studies that prove that some of the households to be resettled are located in areas at risk.

15. The letter requests an intervention from the Inspection Panel. It also requests the Municipality of Teresina to (i) immediately suspend the resettlement and seek alternatives in compliance with OP 4.12, and (ii) adopt all possible measures to reduce the risk to the communities, including through engineering works and contingency plans in accordance with the National Law 12.608 on the National Policy of Protection and Civil Defense.

Initial Due Diligence

16. After receipt of the Request, the Panel conducted its initial due diligence and verified that the Request meets the admissibility criteria for registration, as follows:

17. The Request is not frivolous, absurd or anonymous, and was submitted by 202 families living in Teresina, Piauí, Brazil, where the Project is located.

18. The Requesters attached to their Request a letter they shared with Bank Management in June 2019 in which they raised concerns about the Project. The Panel understands that Management received the letter and promised to share their concerns with the Project Implementation Unit. However, the Requesters explained that the issues raised remain unresolved.

19. The Panel also verified that the subject matter of the Request does not concern issues of procurement, and at the time of the receipt of the Request the Project was 38 percent disbursed. The Project closing date is December 15, 2021. The Panel has not made a recommendation on the issues raised in this Request.

20. The Panel spoke to the Requesters by phone on August 27, 2019, to better understand their concerns. They provided further details on the alleged harms and explained that while most of the households are yet to be resettled, they are concerned that their resettlement is imminent and they lack information on the exact timeline of the displacement. They also explained that some community members had already been affected and in some cases the resettlement involved the use of police force. They asked the Panel to urgently carry out an investigation of the Project.

21. The Panel met with Bank Management on September 10, 2019. Management emphasized that the Project is focused on improving the lives of people in the low-income neighborhoods of Teresina and decreasing flood risks. Management explained that there are six activities under the Project that require resettlement in the neighborhoods of Afonso Mafrense and São Joaquim and are at different stages of implementation. An analysis of alternatives had already been conducted and, as a result, the number of affected households had been reduced by half. According to Management, another analysis of alternatives for the dike safety works is being prepared to assess whether resettlement could be further minimized. The analysis will be ready by December 2019. Management also explained that the Project carried out several rounds of consultations with affected communities and has a robust grievance redress mechanism. Management pointed out that they were conducting a mission to the Project area between September 5 and 13, 2019, and were planning on meeting with community members. They stated they are considering steps to address the issues raised by the Requesters.

Registration of the Request

22. As provided in paragraph 17 of the IBRD Resolution (“the Resolution”) that established the Panel, *“the Chairperson of the Panel shall inform the Executive Directors*

*and the President of the Bank promptly upon receiving a request for inspection.*² With this notice, I am notifying you that I have, on September 19, 2019, registered this Request.

23. The Panel's registration implies no judgment whatsoever concerning the merits of a Request for Inspection. As provided in paragraph 18 of the Resolution, and paragraphs 2 and 8 of the "Conclusions of the Board's Second Review of the Inspection Panel" ("the 1999 Clarification"), Bank Management must provide the Panel within 21 business days (by October 21, 2019) a response to the issues raised in the Request for Inspection. The subject matter that Management must deal with in the response to the Request is set out in paragraphs 3 and 4 of the 1999 Clarification.

24. After receiving the Management Response, the Panel will, as outlined in the 1999 Clarification and as provided by paragraph 19 of the Resolution, "determine whether the Request meets the eligibility criteria set out in paragraphs 12 to 14 [of the Resolution] and shall make a recommendation to the Executive Directors as to whether the matter should be investigated."³ This Request has been assigned IPN Request Number RQ 19/10.

Yours sincerely,



Imrana Jalal
Chairperson

Attachments

Mr. David Malpass, President
International Bank for Reconstruction and Development

The Executive Directors and Alternates
International Bank for Reconstruction and Development

The Requesters

² Resolution Establishing the Panel (September 22, 1993), Resolution No. IBRD 93-10, <http://ewebapps.worldbank.org/apps/ip/PanelMandateDocuments/Resolution1993.pdf>

³ Ibid.