

IMRANA JALAL  
Chair  
The Inspection Panel

September 28, 2020

**IPN REQUEST 20/02**

## **NOTICE OF REGISTRATION**

### **Request for Inspection**

#### **Peru: Cusco Transport Improvement Project (P132505)**

#### **Summary**

1. On July 16, 2020, the Inspection Panel (the “Panel”) received a Request for Inspection (the “Request”) of the Cusco Transport Improvement Project (the “Project”) in Peru. The Request was submitted by two individuals who state their land is being taken without compensation to make way for an expressway – the Via Expresa Avenue – built under the Project. The Requesters allege non-compliance with the Bank’s Policy on Involuntary Resettlement and lack of consultation and disclosure of information. They also raise concern about retaliation and further allege that tenants who rented and occupied a section of the land were forcibly evicted. The Requesters asked the Panel to keep their identities confidential.
2. The Panel acknowledged receipt of the Request on its website on September 1, 2020. Following initial due diligence by the Panel and confirming that the Request meets the Panel’s admissibility criteria, I am notifying you that I have, on September 28, 2020, registered this Request.

#### **The Project**

3. The Peru Cusco Transport Improvement Project (P132505) was approved on February 28, 2014, for a US\$120 million IBRD loan. The total Project cost is US\$152.6 million, and the Borrower is providing US\$32.6 million. There are no other funders. The original closing date of the Project was June 30, 2020, but it was recently extended to May 31, 2021. It is a Category B Project and triggered the following safeguard policies: Environmental Assessment (OP/BP 4.01), Physical Cultural Resources (OP/BP 4.11) and Involuntary Resettlement (OP/BP 4.12). The Project was 2.5 percent disbursed at the time of receipt of the Request.

4. The Project development objective is to “*improve mobility in the east-west corridor of Cusco Provincial Municipality (San Jeronimo - Distrito de Cusco).*”<sup>1</sup> The Project includes four components: Component 1: Integral Improvement of the Via Expresa Avenue of Cusco (US\$143 million, of which US\$112.7 million is Bank-financed); Component 2: Improvement of Mobility in Cusco Provincial Municipality (US\$3.6 million, of which US\$3 million is Bank-financed); Component 3: Institutional Strengthening and Monitoring and Evaluation (US\$4.6 million, of which US\$4.3 million is Bank-financed); and Component 4: Project management (US\$1.4 million, financed by local counterpart contributions). The Request relates to Component 1.

5. According to the Project Appraisal Document, Component 1 includes the following activities:

- a) Carrying out final detailed design studies for the completion of the construction of the Via Expresa Avenue; and based on the final detailed designs, carrying out civil works that comprise approximately 6.4 kilometers of a divided roadway – with four local access lanes and four lanes for a total width of 50 meters for the purposes of improving connectivity and permeability in the surrounding urban road network for pedestrians, bicycle users and motorized vehicles.
- b) Carrying out supervision activities of the design and civil works referred to above.
- c) Providing and installing horizontal and vertical road signaling, including traffic lights and a control system.
- d) Acquiring land and providing compensation (including cash compensation and other assistance paid for involuntary resettlement) related to implementation of the Project's Resettlement Action Plan.<sup>2</sup>

## **The Request**

6. The Requesters allege non-compliance with the Bank's Policy on Involuntary Resettlement and a lack of consultation and disclosure of information. They argue that the Project has taken their land without compensation for the construction of a road under the Project, the Via Expresa Avenue. They claim that they have multiple sources of proof of their ownership of the land, including a court decision in their favor, a cadastral certificate<sup>3</sup>, a notarized registration document of the land and other records. They argue that the Bank should have reviewed these documents before agreeing to finance the Project. The Requesters also allege that they lack access to information and were not consulted about the resettlement.

7. According to the Request, poor tenants who rented and occupied a section of the land were mistreated and forcibly evicted from the land in the presence of more than 100 police force members and large numbers of personnel from the regional government and provincial municipality. The Request explains that the tenants lived in clay houses that were destroyed.

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<sup>1</sup> Project Appraisal Document (PAD), January 30, 2014, p. v.

<sup>2</sup> Project Appraisal Document (PAD), January 30, 2014, p. v.

<sup>3</sup> Spanish Original: *Certificado de Búsqueda Cadastral de Propiedades*

8. The Requesters further raise concern about retaliation, including a violent incident and spreading of false information through regional authorities to discredit them.

### **Initial Due Diligence**

9. After receipt of the Request, the Panel conducted its initial due diligence and verified that the Request meets the admissibility criteria for registration. The Request is not frivolous, absurd or anonymous, and was submitted by two individuals who claim their land in Cusco, Peru, is being taken for the Project without compensation. The Panel received earlier correspondence with the Bank about these concerns and learned that the Bank's Grievance Redress Service has received a complaint on this matter as well. The Panel is therefore satisfied that the issues have been brought to the attention of the Bank prior to submitting the Request for Inspection. The Panel also verified that the subject matter of the Request does not concern issues of procurement and, at the time of receipt of the Request, the Project was 2.5 percent disbursed and its closing date was recently extended to May 31, 2021. The Panel has not previously made a recommendation on the issues raised in this Request.

10. During its review of the Request, the Panel spoke with the Requesters several times to seek clarifications and to inform them about the Panel's process and mandate. As part of its due diligence, the Panel also spoke with Bank Management on September 21, 2020. Management explained that it is aware of these issues and has engaged with different stakeholders since Project inception. According to Management, the team has closely assessed the claims but determined that the affected families could not demonstrate their ownership of the land in question. Furthermore, Management explained to the Panel that the land acquired for the Project pertains to the "right of way" of a pre-existing road and therefore does not involve the taking of large amounts of land. Management also explained that the land in question qualifies as public land and has been used as a road for decades.

### **Registration of the Request**

11. As provided in paragraph 18 of the Panel's Resolution (the "Resolution"), "*the Chairperson of the Panel shall inform the Executive Directors and the President of the Bank promptly upon receiving a request for inspection.*"<sup>4</sup> With this notice, I am notifying you that I have, on September 28, 2020, registered the above-mentioned Request.

12. The Panel's registration implies no judgment whatsoever concerning the merits of a Request for Inspection. As provided in paragraph 19 of the Resolution<sup>5</sup>, Bank Management

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<sup>4</sup> The World Bank Inspection Panel, Resolution No. IBRD 2020-0004 and Resolution No. IDA 2020-0003, dated September 8, 2020, para. 18.

<https://www.inspectionpanel.org/sites/www.inspectionpanel.org/files/documents/InspectionPanelResolution.pdf>

<sup>5</sup> The World Bank Inspection Panel, Resolution No. IBRD 2020-0004 and Resolution No. IDA 2020-0003, dated September 8, 2020, para. 19.

<https://www.inspectionpanel.org/sites/www.inspectionpanel.org/files/documents/InspectionPanelResolution.pdf>

must provide the Panel within 21 business days (by October 28, 2020) 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 paragraph 20 of the Resolution.

13. After receiving the Management Response, the Panel will “*determine whether the request meets the eligibility criteria set out in paragraphs 13 to 15 (...) and shall make a recommendation to the Executive Directors as to whether the matter should be investigated.*”<sup>6</sup> This Request has been assigned IPN Request Number 20/02.

Yours sincerely,



Imrana Jalal  
Chair

Attachments

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

The Executive Directors and Alternates  
International Bank for Reconstruction and Development

Requesters (confidential)

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<sup>6</sup> The World Bank Inspection Panel, Resolution No. IBRD 2020-0004 and Resolution No. IDA 2020-0003, dated September 8, 2020, para. 22.

<https://www.inspectionpanel.org/sites/www.inspectionpanel.org/files/documents/InspectionPanelResolution.pdf>