

February 11, 2021  
IPN REQUEST RQ 20/04

## Request for Inspection

### REPUBLIC OF KAZAKHSTAN: South West Roads Project: Western Europe – Western China International Transit Corridor (CAREC-1b & 6b) (P099270)

#### NOTICE OF REGISTRATION

##### Summary

1. On December 24, 2020, the Inspection Panel (the “Panel”) received a Request for Inspection (the “Request”) of the South West Roads Project: Western Europe – Western China International Transit Corridor (CAREC-1b & 6b) (the “Project”) in Kazakhstan. The Request was submitted by a representative on behalf of four community members of the village of Shakpak Baba, Tulkubassiy district, Turkestan region, Republic of Kazakhstan (the “Requesters”). The Requesters claim that works associated with the Project have caused them harm through flooding, loss of irrigation, loss of livelihood, increased traffic accidents and obstruction to the free movement of livestock. They also claim that Project information was not adequately disclosed. In substance, the Requesters allege non-compliance with the World Bank’s Environmental Assessment Policy OP/BP 4.01. The Requesters asked the Panel to keep their identities confidential.

2. The Panel acknowledged receipt of the Request on its website on January 22, 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 February 11, 2021, registered this Request.

##### The Project

3. The Project was approved on April 7, 2009, through a US\$2.125 billion Specific Investment Loan from the International Bank for Reconstruction and Development and is currently active. The planned closing date is December 31, 2021. It is a Category A Project and triggered the following safeguard policies: Environmental Assessment (OP/BP 4.01) and Involuntary Resettlement (OP/BP 4.12). The Project was 89.57 percent disbursed at the time of receipt of the Request.

4. The Project Development Objective is to “*increase transport efficiency on the road sections between Aktobe/Kyzylorda oblast border and Shymkent, and to improve road management and traffic safety in Kazakhstan.*”<sup>1</sup> The project includes five components:

- Component 1 – Upgrade and reconstruction of 1,062 kilometers (km) of road along the corridor within Kyzylorda oblast, excluding Kyzylorda bypass (US\$1.13 billion);
- Component 2 – Upgrade road sections within South Kazakhstan oblast from Kyzylorda oblast border to Shymkent, including the bypasses to Kyzylorda and Shymkent (US\$747.2 million);
- Component 3 – Project management (US\$5.5 million);
- Component 4 – Institutional development, road safety, road services (US\$3 million);
- Component 5 – Consulting services for supervision of civil works (US\$46.8 million).<sup>2</sup>

5. The Request relates to Component 2, as amended by a restructuring in May 2012. The Level 1 restructuring entailed changes to the Project Development Objective and allowed the financing of the upgrade of an additional 80 km of highway that was outside the original project location. Thus, the scope of Project Component 2 was expanded. According to the Project Appraisal Document, Component 2 includes the following activities:

- Upgrade and reconstruction of road sections within South Kazakhstan oblast from Kyzylorda oblast border to Shymkent, including the bypasses to Kyzylorda and Shymkent, at an estimated cost of US\$879.1 million, excluding physical and price contingencies, and the costs of consulting services for construction supervision. About 273 km of road sections, all of which will be dual carriageways with four lanes, will be reconstructed or upgraded to include road safety features and road services. Land acquisition, and road design costs will be financed through the Borrower’s own funds.<sup>3</sup>

6. According to the Restructuring Paper, the following was added to Component 2: “[E]xpand to finance an additional length of about 80 km in South Kazakhstan Oblast from Shymkent to the border with Zhambyl Oblast. [...] Following the proposed change, 353 kilometers of roads would be upgraded under this component compared to the initial target of 273 kilometers”<sup>4</sup>

7. Shakpak Baba, where the Requesters live, is close to the border with Zhambyl Oblast and very close to the Shymkent Tunnel, a subcomponent of the restructured Project.

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<sup>1</sup> World Bank. 2009. Kazakhstan - South West Roads Project: Western Europe - Western China International Transit Corridor (CAREC-1b & 6b) . Washington, DC: World Bank. p.ii, Project development objective  
<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/486231468273029850/kazakhstan-south-west-roads-project-western-europe-western-china-international-transit-corridor-carec-1b-6b>

<sup>2</sup> from: World Bank. 2009. Kazakhstan - South West Roads Project: Western Europe - Western China International Transit Corridor (CAREC-1b & 6b) . Washington, DC: World Bank. p.ii, Project description  
<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/486231468273029850/kazakhstan-south-west-roads-project-western-europe-western-china-international-transit-corridor-carec-1b-6b>

<sup>3</sup> *ibid.*, p.9, Section 4, Project Components

<sup>4</sup> World Bank, 2012, Restructuring Paper, South-West Roads Project: Western Europe-Western China International Transit Corridor (CAREC 1B & 6B) Project, May 7, 2012. p.3, para. 11.  
<https://documents.worldbank.org/en/publication/documents-reports/documentdetail/468821468271840448/kazakhstan-south-west-roads-project-western-europe-western-china-international-transit-corridor-carec-1b-6b-project-restructuring>

## **The Request**

8. The Requesters argue that in 2017 eight houses were flooded and sustained material damage but only one household was compensated. They claim that the flooding was the result of poorly maintained drains, which are the responsibility of the road project. The Requesters also claim that residents are no longer able to use their wells to irrigate their gardens because the wells were blocked by the flood. Natural spring water is no longer available, as the roadworks have altered the ecological balance, and, owing to road works, a concrete irrigation canal no longer functions, according to the Requesters. As a result, they state, many residents are no longer able to grow products to supplement their food supply, and this has increased their financial burden. The Requesters further allege that residents have seen an increase in road accidents involving vehicles and pedestrians. Additionally, in a follow-up phone call, they claimed that no traffic safety plan to accompany the works had been disclosed or made available to the public. The Requesters also claim that a crossing point for cattle under the road was partially blocked with debris as a result of gravel from the pavement. Finally, the Requesters allege a lack of meaningful consultation and disclosure of information concerning these activities. In substance, they allege non-compliance with the Bank's Policy on Environmental Assessment OP/BP 4.01.

## **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 a representative on behalf of four community members who claim to have suffered harm as a result of the Project. The Requesters contacted Bank Management on several occasions but said that the response from Management was inadequate. 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, that at the time of receipt of the Request, the Project was 89.57 percent disbursed, its closing date being December 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 sought clarifications from the Requesters and informed them of the Panel's process. As part of its due diligence, the Panel also spoke with Bank Management on February 4, 2021. Management explained that it is aware of these issues and has engaged with different stakeholders since the Project restructuring. According to Management, the team has closely assessed the claims and is of the view that: (i) houses were not flooded in 2017 because of roadworks, but because of the generalized flooding in Kazakhstan associated with snowmelt and heavy rainfall (Management commissioned a hydrological study in January 2021 to analyze this.); (ii) natural spring water could have been disrupted not by roadworks associated with the Project, but by unrelated pipeline construction works; and (iii) the Project has no impact on traffic conditions in the affected village. Management also informed the Panel that the Project has already remedied certain claims, such as the cattle crossing point under the road.

## **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>5</sup> With this notice, I am notifying you that I have, on February 11, 2021, registered the above-mentioned Request.

12. The Panel's registration is an administrative procedure and implies no judgment whatsoever concerning the merits of a Request for Inspection. As provided in paragraph 19 of the Resolution,<sup>6</sup> Bank Management must provide the Panel within 21 business days (by March 15, 2021) 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 and 21 of the Resolution.

13. After receiving the Management Response, the Panel will, as outlined in paragraph 22 of the Resolution, "*determine whether the request meets the eligibility criteria [...] and shall make a recommendation to the Executive Directors as to whether the matter should be investigated.*"<sup>7</sup> This Request has been assigned IPN Request Number 20/04.

Yours sincerely,



#### Attachments

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

The Executive Directors and Alternates  
International Bank for Reconstruction and Development

Requesters (Confidential)

<sup>5</sup> World Bank, Resolution No. IBRD 2020-0004, the World Bank Inspection Panel, September 8, 2020, para. 18. <https://www.inspectionpanel.org/sites/www.inspectionpanel.org/files/documents/InspectionPanelResolution.pdf>

<sup>6</sup> World Bank, Resolution No. IBRD 2020-0004, the World Bank Inspection Panel, September 8, 2020, para. 19. <https://www.inspectionpanel.org/sites/www.inspectionpanel.org/files/documents/InspectionPanelResolution.pdf>

<sup>7</sup> World Bank, Resolution No. IBRD 2020-0004, the World Bank Inspection Panel, September 8, 2020, para. 22. <https://www.inspectionpanel.org/sites/www.inspectionpanel.org/files/documents/InspectionPanelResolution.pdf>