

## **Inspection Panel**

### **Republic of Kosovo: Kosovo Power Project (Proposed, P118287) and Second Additional Financing Energy Sector Clean-up and Land Reclamation Project (P131539)**

#### **Investigation Plan (November 9, 2015)**

##### **I. Introduction and Panel's Recommendation**

On June 12, 2015 the Inspection Panel received a Request for Inspection from individuals living in Hade village, Shkabaj resettlement site, and Obiliq municipality in Kosovo. These individuals state they represent others living in these localities, and are supported in turn by three Kosovar Civil Society Organizations. The Panel registered the Request on June 30, 2015, and received the Management Response on July 31, 2015. The Panel presented its Report and Recommendation to the Board on September 4, 2015, recommending that an investigation be carried out. The Board approved this recommendation on September 17, 2015.

The Panel noted in its Report and Recommendation that the Requesters, and other community members met during the Panel's eligibility visit, claimed to have suffered serious harms from the way in which the Shala resettlement was planned and implemented. Requesters also informed the Panel that they are suffering from land use restrictions and being in close proximity to mining activities, which in their view, are due to advice provided under the Bank's technical assistance projects and the proposed Kosovo Power Project (KPP). They allege these projects overlooked social and economic impacts and are generating adverse livelihood effects. A third group of Requesters claims to be suffering harm due to an emergency evacuation that took place in 2004.

The Panel also noted in its Report and Recommendation that the issues of harm raised in the Request and elaborated during its eligibility visit are of a serious nature. The Panel further observed these harms can plausibly be linked to Bank technical assistance and other activities carried out in the context of direct and indirect activities that support the preparation of the KPP for which the Bank has committed to provide a Partial Risk Guarantee on a "*non-binding, in principle*" basis.

This document presents a broad outline of the investigation plan as required by the Panel's Operating Procedures. It includes a summary of the key questions and issues to be addressed during the investigation, and a timeline. This initial investigation plan will be adjusted as needed.

##### **II. Generic Questions for the Investigation**

In line with its mandate and Operational Procedures the Panel will consider in its analysis the following:

- a. Is there a violation of the Bank's applicable policies and procedures in the design, appraisal and implementation of the projects that may have contributed to the harm alleged in the Request? Including:

- i. Which of the issues of harm raised in the Request can be linked to the Bank-financed projects? Is the harm of a serious nature?
  - ii. Can the issues of harm in question be attributed to non-compliance by the Bank with its relevant safeguard policies and procedures?
  - iii. How were these issues addressed during design, appraisal and implementation of the projects? Were these actions sufficient to meet the requirements of the applicable policies?
- b. Were any steps and actions taken by Management during the course of the investigation to address the issues of compliance and the harms raised by the Requesters? Are these actions sufficient to meet the requirements of the applicable policies?

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

The Request raises issues that may be related to the Energy Sector Clean-up and Land Reclamation Project - Second Additional Financing (CLRP-SAF) and the proposed KPP. The CLRP-SAF supports the preparation of the Environmental and Social Impact Assessment (ESIA) for the proposed Kosovo Power Plant, and the Bank's monitoring of the resettlement of Shala neighborhood of Hade village. This resettlement is being carried out through a Resettlement Action Plan (RAP) developed under the closed Bank-supported Lignite Power Technical Assistance Project (LPTAP). According to the Requesters, the resettlement of Hade village, along with the resettlement of additional families from other villages in the same area, is intended to facilitate the development of the proposed KPP.

During its visit, the Panel team heard about three types of harm from Requesters. The Panel's investigation will address these alleged harms and their possible links to Bank-financed operations, within the framework of Bank Operational Policies and Procedures.

#### **The Allegations of Harms**

1. **Shala.** The first set of harms is stated to have been experienced by a group who originally lived in the Shala neighborhood of Hade village and are being resettled at the Shkabaj resettlement site (also called New Hade). The Shala Resettlement Action Plan states that this involves the physical resettlement of 63 families and acquisition of land from 30 non-resident landholders. The Panel's investigation will look into the following questions:
  - a. Is the Shala resettlement linked to a Bank-financed project? If so, how is it linked?
  - b. Depending on the linkage, has the process of Shala resettlement followed the World Bank policy on Involuntary Resettlement?
  - c. What are the specific harms experienced by the Shala community, and what mitigation measures, if any, have been proposed by the Bank? What is the status of the implementation of these mitigation measures?
2. **Zone of Special Economic Interest.** The second set of harms is allegedly suffered by a group of community members who still live in Hade, but are impacted by the designation

of a Zone of Special Economic Interest. The Panel investigation will look into the following questions:

- a. Is the designation of the Zone of Special Economic Interest linked to a Bank-financed project? If so, how is it linked?
  - b. Could the harms stated in the Request for Inspection, i.e. loss of livelihood, depreciation of land values, adverse social impacts that are allegedly experienced by the population living within this Zone, be caused as a result of a Bank-financed project?
  - c. What is the status of resettlement planning for the proposed KPP and its associated activities that may be located within the Zone of Special Economic Interest?
  - d. Does the KPP ESIA (under preparation) examine legacy issues connected with the Zone of Special Economic Interest and the Sibovc Mine expansion?
- 3. Emergency Evacuation.** A third group of people from Hade stated they have suffered harms as a result of being resettled on an emergency basis in 2004 by the United Nations Interim Administration Mission in Kosovo (UNMIK). The Panel investigation will look into the following questions:
- a. Does this emergency evacuation have any link with a Bank operation?
  - b. If there is a link, does the Bank have any responsibility regarding the resettlement of the people affected by this emergency evacuation?

The three different groups of Requesters once constituted a single community in Hade village.

#### **IV. Methodology of Fact Finding**

Mobilization for the investigation commenced after the Board's Absence of Objection was received on September 17, 2015. The investigation will be conducted in three phases: (i) investigation preparation and identification of expert consultants (October-November 2015); (ii) review of documentation and field visit (November – January 2016); and (iii) report drafting (January – April 2016). The investigation will include interactions with Requesters, Bank staff, implementing agencies/consultants, and other relevant stakeholders.

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