

THE INSPECTION PANEL

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IPN REQUEST RQ04/1

January 30, 2004

NOTICE OF REGISTRATION

**Re: Request for Inspection
MEXICO: Indigenous and Community Biodiversity Project (COINBIO)
(GEF Trust Fund Grant No. TF24372)**

On January 26, 2004, the Inspection Panel (the ‘Panel’) received a Request for Inspection (the ‘Request’) related to the above-referenced project, dated November 25, 2003. The Request was submitted by members of the Comité Estatal de COINBIO Oaxaca (the Project’s State Committee for Oaxaca), the Secretary of the Project’s Natural Resources Committee representing Yautepec-Itsmo, and the Chief, Office of the Commissioner (Presidente del Comisariado) of Ixtlán de Juárez, Oaxaca, who claim that they were appointed members of the Project’s Natural Resources Committees to represent the communities living in Yautepec-Itsmo and Costa Sur in the state of Oaxaca.

The Requesters claim that they, and the communities they represent, are to be adversely affected by certain aspects of the execution of the COINBIO Project, which is partially financed by a Global Environmental Facility (GEF) grant of US\$7.5 million.¹ According to the Request, the objective of the COINBIO project is to conserve high biodiversity areas in the states of Oaxaca, Michoacan, and Guerrero, Mexico, *“building on the longstanding positive cultural values and traditional management practices of these communities with respect to the resources in these ecological zones. This objective will be achieved by: (a) Supporting the ongoing efforts of the indigenous communities and ejidos to establish permanent conservation areas and cooperative networks that link communities with significant conservation areas within a wider region of high biodiversity; (b) Building capacity for community conservation and sustainable natural*

¹ The project is financed by a grant of US\$7.5 million, Government of Mexico counterpart financing (including resources from the IBRD-financed PROCYMAF project), local counterpart in-kind contributions, as well as other sources. The total project cost is estimated at US\$18.7 million equivalent. The recipient of the GEF grant is Nacional Financiera S.N.C. (NAFIN) with technical assistance provided by the National Forest Commission (CONAFOR) in coordination with the Secretary of Environment and Natural Resources (SEMARNAT). The World Bank’s Board of Executive Directors approved the GEF-financed project on November 28, 2000. The legal agreements were signed on February 1, 2001 and became effective on June 6, 2001.

resource management of the communities in areas of high biodiversity but with weak organizational capacity and a poor economic base; and (c) Supporting the establishment of state and regional institutions that can promote and support the financing of community conservation initiatives over the medium- and long-term, while fostering a strong sense of ownership on the part of the communities themselves.”

The Requesters add that “[a]s a result of a participatory process of project design, involving communities, environmental organizations, academia, and governments, the following was decided with respect to the project: (i) the community should be actively involved in decisions and should be given flexibility in terms of modifying the criteria for project operation; and (ii) technical and strategic supervision by the Government should be kept at a minimum, in order to ensure institutionalization of the community conservation model.”

According to the Grant documents, the project provides for, *inter alia*, the establishment in the three States of ‘State Committees’ of six members, three of which represent the communities and ‘*ejidos*’. Each State Committee is supported by State Coordination Units, which include one coordinator and one administrator that are chosen in consultation with the relevant State Committee.

According to the Request, the Bank has violated its policies and procedures on project supervision and indigenous peoples because it has proposed a restructuring of the COINBIO project without involving the State Committees. In the Requesters’ view, the restructuring proposal entails that the State Committees will be stripped of their powers in order to revert to a vertical, rather than the horizontal decision-making approach used so far, as required by the Bank’s Indigenous Peoples policy and the applicable Grant Agreement. They also claim that the Bank also violated these policies by giving its approval, on a ‘no objection’ basis, to the removal of the State Coordinators for Oaxaca and Guerrero without consulting the State Committees, as required by the legal agreement.

The Requesters believe that their rights have been adversely affected as a result of the Bank’s breach of the agreement. They state that they do not agree with the “*unjustified removal*” of the Coordinators of the States of Oaxaca and Guerrero, because this has created an environment of uncertainty in the regions where the project is being implemented. The Request claims that “*the violation of the process has led the beneficiary communities to fear that the project currently underway will not be continued or that the rules of operation governing the project will be changed and money for the project given directly to service providers rather than to communities, as has been the case so far.*” The Requesters state that they have actively participated in the COINBIO meetings in Oaxaca to outline the strategies, which have then been developed through the State Committees, but fear that in the future their views will not be taken into account. They claim that the Bank also bears responsibility for this situation because the Bank has supported the removal of the State Coordinators and their replacement with coordinators of the PROCYMAF project (also financed by the Bank) which is unrelated to COINBIO, and has suggested to modify the project so as “*to divest the State Committees of their authority and vest the national coordinator with full powers.*”

The Requesters claim that they submitted their complaints to Bank officials but “*failed to receive a positive response.*” They also allege that Bank officials did not honor an agreement taken in a November 5, 2003, meeting to authorize the reinstatement of the previously removed coordinator.

The above claims may constitute violations by the Bank of various provisions of the following operational Policies and Procedures:

OD 4.20 Indigenous People
OD 13.05 and OP/BP 13.05 Project Supervision

All communications with the Requesters in connection with the Request will be until further notice sent to Mr. Sergio García Mendoza at the address listed below.

In accordance with paragraph 17 of the Panel’s Operating Procedures (the “*Operating Procedures*”), I am notifying you that I have, on January 30, 2004, which is also the date of the dispatch of this notice, registered this Request in the Inspection Panel Register.

In accordance with paragraph 18 of the Resolution, paragraphs 2 and 8 of the “*Conclusions of the Board's Second Review of the Inspection Panel*” (the “1999 Clarifications”), and paragraph 18 (d) of the *Operating Procedures*, Bank Management must provide the Panel, no later than March 2, 2004, with written evidence that it has complied, or intends to comply, with the Bank’s relevant policies and procedures in relation to the above-referenced Project. The subject matter that Management must deal with in a response to the Request is set out in paragraphs 3 and 4 of the 1999 Clarifications.

After receiving the Management response, the Panel will, as outlined in the 1999 Clarifications 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.*”

The Request has been assigned IPN Request Number RQ04/1.

Yours sincerely,

Edith Brown Weiss
Chairperson

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The Executive Directors and Alternates
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