

THE WORLD BANK INSPECTION PANEL

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION

1818 H Street, NW Phone: (202) 458-5200
Washington, DC 20433, USA Fax : (202) 522-0916
Internet: www.inspectionpanel.org
Email: ipanel@worldbank.org

Roberto Lenton
Chairperson

IPN REQUEST RQ 10/10

May 17, 2011

MEMORANDUM TO THE EXECUTIVE DIRECTORS OF INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Request for Inspection India - Madhya Pradesh Water Sector Restructuring Project (IBRD Loan No. 4750-IN)

Introduction

The purpose of this Memorandum is to inform the Executive Directors about the receipt of a Request for Inspection regarding the **India: Madhya Pradesh Water Sector Restructuring Project** (hereinafter "the Project").

This Memorandum is not a Registration of the Request for Inspection nor is it a recommendation to the Board. Consequently, it does not trigger a requirement for a Management Response. The Panel is not registering this Request at this time in the light of proactive efforts being made by Management, in response to communications from Requesters and in close consultation with them, as described below.

The Project

The development objective of the Madhya Pradesh Water Sector Restructuring Project (MPWSRP) is to improve productivity of water for sustainable growth and poverty reduction in selected river basins (Chambal, Sindh, Betwa, Ken and Tons) of Madhya Pradesh.¹ The Project aims to rehabilitate and modernize about 500 irrigation systems, build capacity of Water Users Associations (WUA), introduce improved agricultural, horticultural, and fisheries practices in the project schemes, and reform the Water Resources Department (WRD).²

The Project includes the Water Quality Enhancement Project of Swarn Rekha River³, a Bank-funded sub-project to line the Swarn Rekha River, which runs through the city of Gwalior, so as to

¹ Project Appraisal Document (PAD), Report No: 28560-IN, dated August 9, 2004, p.3.

² According to the "Restructuring Paper on a Proposed Project Restructuring of Madhya Pradesh Water Sector Restructuring Project" dated March 30, 2011, the Project closing date has been extended by 9 months from March 31, 2011 to December 31, 2011.

³ Environment Management Plan, Water Quality Enhancement Project of Swarn Rekha River, Yamuna Basin Sindh Sub Basin Under Madhya Pradesh Water Sector Restructuring Project, 2007.

improve its water quality and its drainage capacity so that it can transfer water to an irrigation scheme near Gwalior to eventually benefit 2,500 households.⁴

Management has informed the Panel that issues of sewage and solid waste discharge into the River needed to be dealt with in order to ensure the sub-project improves the River's water quality, and that the Bank's funding for the Swarn Rekha River sub-project is linked to a larger effort financed by the Government of Madhya Pradesh which aims to reduce the flow of sewage water into the river. This larger effort includes several initiatives, namely construction of a sewage pumping plant, a sewage treatment plant, and joining *nallas* (drainage tributaries of the river) with the main sewage trunk line which is under the river bed, all of which are at different stages of completion.⁵

Request for Inspection

On June 2, 2010, the Inspection Panel received the first of several communications from a resident of Gwalior city, India, regarding the MPWSRP. The Panel responded by informing the sender about the Panel's mandate and process, and by providing contact details of Bank staff responsible for the Project so that the sender could communicate the concerns directly to Management.

On August 31, 2010, the Panel received a Request for Inspection⁶ from Requesters representing a number of residents of Gwalior city. In accordance with its Operating Procedures,⁷ the Panel sought additional information from the Requesters and informed the Requesters once again of the need to make prior contact with Bank Management according to Panel procedures. The Requesters have since confirmed to the Panel that they have been in communication with Bank Management regarding the problems they are facing.⁸

Subsequently, as elaborated below, the Panel was informed both by the Requesters and Management that progress was being made to address the issues raised by the Requesters, albeit with concern about the pace of implementation.

Issues raised by the Request: The Request focuses on the health hazard posed to the residents of the city of Gwalior by the raw sewage which the Requesters allege has entered the Swarn Rekha River and is accumulating near their homes, which are situated on the banks of the River. They also complained about a reduction in the water table due to the concrete lining of the river which, according to them, prevents natural recharge of the aquifer and has caused several tube wells to dry up.

The Requesters allege that sewage was discharged into the River when the underground sewerage lines were "*crushed*" and "*broken*" by the contractor for the Water Quality Enhancement Project when the contractor allegedly used the Swarn Rekha riverbed to transport heavy machinery for the purposes of this Project. The Requesters also allege the lining work was of poor quality, and have expressed serious concern about the adequacy of Management's supervision. In subsequent correspondence, the Requesters

⁴Information provided to Inspection Panel by South Asia Regional Department (SARVP) in *Madhya Pradesh Water Restructuring Project, Information on Issues Raised by the Inspection Panel, December 2, 2010*, and *India – Madhya Pradesh Water Sector Restructuring Project (MPWRSP): Update On Issues Concerning The Swarn Rekha River, May 2011*.

⁵ Back to Office Report, December 11, 2010, SARVP.

⁶ The Request for Inspection is dated August 27, 2010.

⁷ Inspection Panel Operating Procedures (1994), Paragraph 20.

⁸ The Requesters and Management have been in communication since September 2010 regarding the issues raised in the Request in an effort to arrive at an early resolution of the Requesters concerns. During this period, the Requesters have also at times informed the Panel about their frustration at the lack of remedial action taking place on ground.

have informed Management and the Inspection Panel that they believe the sewerage pipelines, which connect to the main trunk line located under the Swarn Rekha riverbed, do not have the capacity to carry the water delivered to them from the additional drains (*nallas*) which empty into them.⁹

The Requesters allege that they are harmed by the Project due to the omissions and failures of the World Bank in its compliance with OP 1.00 (Poverty Reduction), OP 4.01 (Environmental Assessment), and OP 13.05 (Project Supervision).

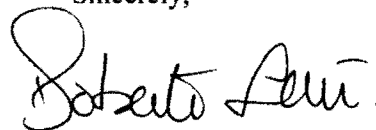
Steps Taken to Address the Requesters' Concerns

The Panel notes that the Regional Vice President and her team have been proactive in trying to resolve the problems since the matter was brought to their attention by the Requesters and by the Inspection Panel. Both the Requesters and Senior Management have indicated to the Panel their interest in pursuing an early and efficient effort to remedy the situation. The Requesters have informed the Panel about meetings held with the Bank Team on site on October 31, 2010, December 11, 2010, and February 18, 2011. Moreover, after the December 11, 2010 visit to the area, Management informed the Panel that it had reached an understanding with the Requesters on the issues that needed to be resolved; also, on February 18, 2011 the India Country Director led a team which inspected the Swarn Rekha River along with the Requesters and documented issues for resolution and set a timeframe for each.¹⁰ Additionally, on April 9th 2011, one of the Requesters undertook a site visit following an invitation extended by the Project Director.

The Panel notes that the Requesters recognize that some progress has been made but they remain very concerned about the urgent need to complete remaining actions given the nature of the impacts and potential harm to their health. Management has informed the Panel that there is willingness on the part of all parties to resolve the problems, and about actions being taken in this regard.

In light of the foregoing, the Inspection Panel is not registering the Request for Inspection at this time and will await further developments in the ongoing efforts to bring a satisfactory resolution of the problems raised in the Request.

Sincerely,



Roberto Lenton
Chairperson

Enclosure:

Copy of the Request for Inspection

⁹ In the Back to Office Report of February 18, 2011, Management states that it agreed to carry out the Swarn Rekha lining work provided the Government of Madhya Pradesh made efforts to reduce the flow of sewage water into the River, which the Government addressed by joining the *nallas* with the main sewage trunk line that runs under the river bed, constructing a pumping station, and a sewage treatment plant.

¹⁰ Back to Office Report, February 18, 2011, SARVP.