

Inspection Panel Investigation of the Ethiopia: Promoting Basic Service Phase III Initial Investigation Plan (August, 2013)

I. Panel's Recommendation

The Panel received a Request for Inspection with regards to the Ethiopia: Promoting Basic Services Phase III (PBS III) Project on September 24, 2012. Following the receipt of the Management Response to the Request for Inspection on November 19, 2012, the Panel conducted its eligibility visit from January 8-14, 2013. The Panel presented its Report and Recommendation to the Board on February 8, 2013, recommending that an investigation be carried out. The Board approved this recommendation on July 12, 2013.

The Panel noted in its Report and Recommendation “that there are conflicting assertions and differing views on the issue of linkage between the PBS and Villagization Program (VP), the evidence on harm claimed by the Requesters, as well as the issue of the Bank’s compliance with policies and procedures of relevance to the claims of harm raised in the Request for Inspection. In order to ascertain the linkage between PBS III and the allegation of harm, and the compliance or lack thereof with Bank policies and procedures in the design and implementation of the PBS III, the Panel must conduct an appropriate review of all relevant facts and applicable policies and procedures.”

The investigation will focus on the issues raised by the Request “as they pertain to the Bank’s application of its policies and procedures.” The recommended investigation will have a specific focus. It will examine in greater depth risks stemming from the concurrent implementation of VP and PBS III in Gambella region, and Management’s analysis and subsequent management of these risks under PBS III.

The investigation will not seek to verify allegations of specific human rights abuses linked to VP, nor will it examine the underlying purposes of VP. In addition, the Panel's investigation will report on steps and actions taken by Management during the course of the investigation to address issues of compliance and the concerns raised by the Requesters, including, if feasible, the outcomes of the proposed Poverty and Social Impact Analysis.

What proceeds in the following sections is a broad outline of the investigation design. It briefly summarizes the key questions and issues which the investigation is expected to address while also providing a tentative timeline of the investigation process as a whole. As is the practice, this outline is being made publicly available through the Inspection Panel website.

It should be noted that this is an initial investigation plan that has been prepared during the early phases of the investigation process. It should be expected that the plan may be modified and adjusted accordingly as the investigation moves forward.

II. Generic Questions for Investigation

1. Has Management complied with applicable Bank policies and procedures in the design, appraisal and implementation of the Project? Is it non-compliance that may have caused the harm alleged in the Request?
 - a. Is the alleged harm related to the Project? What type of harm? Is the harm of a serious nature?
 - b. Which of Management's actions and/or omissions constitute compliance/non-compliance with its policies, and how do Management's actions relate to the alleged harm? If there is evidence of non-compliance, did it contribute to the harm?
 - c. Did Management address, during preparation, appraisal and implementation of the Project, the issues of harm raised by the Requesters? If so, were these actions sufficient to meet the requirements of the applicable policies?
 - d. Did Management take any steps and/or actions during the course of the investigation to address the issues of compliance and the concerns raised by the Requesters? Are these actions sufficient to meet the requirements of the applicable policies?

III. Specific Scope of the Investigation

1. Alleged harms raised in the Request for Inspection

The Request alleges that the PBS Program directly and indirectly contributes to the implementation of the VP in the Gambella region, which, according to the Request, has resulted in involuntary taking of land from indigenous communities, use of force and intimidation in relocation of villagers to new sites, public services not being provided at relocation sites, and deterioration of livelihoods among households that have relocated.

2. Assessing links between PBS III and the alleged harms

The Panel will assess whether the claim concerning links between PBS III and VP are credible. To this effect, the Panel will collect information on the following:

- i. The objectives and targets of PBS III and VP respectively
- ii. The current status of implementation
- iii. The financial management of PBS III at woreda level
- iv. Monitoring of use of PBS III financial and other resources at woreda level
- v. System of monitoring/supervision of PBS III results and its efficacy

3. Assessing compliance with Bank policies

The Panel will assess whether the Bank's assessment of risks and integration of risk mitigating measures from the concurrent implementation of PBS III and VP is in compliance with applicable Bank policies and procedures. Additionally, the Panel will assess whether the

Bank's safeguard policies are applicable to PBS III, in particular OP 4.10 on Indigenous Peoples and OP 4.12 on Involuntary Resettlement.

To this effect, the Panel will carry out the following fact finding and analysis:

1. Analysis of project documents
 - a. Describe Project timeline and current implementation status
 - b. Summarize Project objectives and design
 - c. Review in detail all PBS III project documents, including PAD, PIDs, Supervision Reports, Aide Memoires of Bank missions, and documents from Development Assistance Group (DAG) missions
 - d. Review relevant PBS I and II project documents that informed the planning and appraisal of PBS III
 - e. Examine analysis of lessons learnt from previous implementation of PBS I and II
 - f. Evaluate risk assessments and mitigation strategies outlined in the project documents
 - g. Assess the PBS III fiduciary and monitoring systems
2. Interview Bank staff involved in the Project
3. Interview of staff of other donors contributing to PBS III
4. Conduct investigation visit

4. Investigation Steps – Tentative Chronology

Mobilization for the investigation commenced in July, 2013, involving preparation of the investigation plan and identification of independent expert consultants to assist in the investigation. The Panel will be undertaking steps 1 and 2 above beginning in August. The Panel intends to conduct an investigation visit in October/November, 2013. Subsequently, it expects to submit the Investigation Report to the Board of Directors in early 2014.

The Panel's Investigation Report, along with the Management Report and Recommendation in response to the Investigation Report are to be made public following the Boards consideration of both reports.