

Eimi Watanabe
Chairperson

IPN REQUEST RQ 13/09

July 16, 2014

**MEMORANDUM TO THE EXECUTIVE DIRECTORS
INTERNATIONAL DEVELOPMENT ASSOCIATION**

**Request for Inspection
Nigeria: Lagos Metropolitan Development and Governance Project (P071340)**

**Notice of Non-Registration and
Panel's Observations of the First Pilot to Support Early Solutions**

A. Background

1. This note presents the results of the first Inspection Panel (“the Panel”) case under its “Pilot Approach to Support Early Solutions for Request for Inspection” (“the Pilot”).¹ On September 30, 2013, the Panel received a Request for Inspection of the Nigeria: Lagos Metropolitan Development and Governance Project (P071340) (“the Project”), and after consulting with the Requesters and Management, the Panel decided to consider this case under the Pilot approach.

2. In addition to presenting the results of the case in the context of the Pilot, this note also provides insights into the issues that arose during the Panel’s assessment of the case and the lessons that emerged from it.

B. Request for Inspection

3. The Request for Inspection (“the Request”, attached as Annex I) was submitted by the Social and Economic Rights Action Center (SERAC) in Lagos, on behalf of “*individuals, families and groups living in the Badia area of Lagos State*” alleging that the Project has caused the “*impoverishment and insecurity*” of Badia residents, a vulnerable slum community in Lagos, as a result of evictions that have occurred under the Project “*without prior consultation, notice, compensation or resettlement.*”

¹ Under the newly adopted Pilot Approach (IPN’s Operating Procedures, Annex 1, Pilot Approach for Early Solutions, para. 8), the Panel is required to verify that the Request meets basic requirements for Registration, but based on agreement from both Requesters and Management to seek an opportunity to resolve the concerns, the Panel can postpone its decision to register the Request and instead initiate a Pilot Approach.

4. The Requesters believe that they have suffered serious harm as a result of actions and omissions of the World Bank. They state that the Bank is “*clearly obliged to ensure that the project is implemented in accordance with its own Operational Policies and to hold Lagos State to its commitments under the LMDGP Project Agreement.*” Specifically, the Requesters state that on March 6, 2012, over 100 structures in Badia were demolished to make way for the construction of a drainage canal built as part of the Project and that a retroactive Resettlement Action Plan (“RAP”), completed in December 2012, provided minimal financial assistance to 124 Project Affected people (“PAPs”) which was “*insufficient to offset the harms suffered, especially in light of the delay of nearly nine months.*”

5. They add that on February 23, 2013, again, hundreds of structures were demolished in the area of Badia East immediately adjoining the canal mentioned above, forcefully evicting about 9,000 inhabitants.² According to the Requesters, both incidences occurred without prior consultation, notice, compensation or resettlement and resulted in their further impoverishment.

6. They also add that since February 23, 2013, no relief or emergency aid measures have been provided to mitigate the extreme suffering of thousands of affected people. The Request refers to a number of interactions in which these concerns have been raised with World Bank representatives between March 2012 and July 2013.

C. Project

7. The Project’s development objective (PDO) was to increase sustainable access to basic urban services through investments in critical infrastructure. The Project was approved by the Bank’s Board on July 6, 2006. The Project was restructured on July 5, 2011, the PDO was not changed, although some activities under the Project components and results framework were revised. The Project closed on September 30, 2013.

8. The Request relates to two sub-components A.1 and A.2 of the Project. Sub-component A.1 focused on building the capacity of the Lagos State Urban Renewal Authority to assess, develop, plan and coordinate the execution of a city-wide upgrading program, through the execution of the upgrading subprojects in nine of the largest slums identified in 1995 (Agege, Ajegunle, Amukoko, Badia , Iwaya, Makoko, Ilaje, Bariga, Ijeshatedo/Itire). Sub-component A.2 planned to develop a long-term technical solution to flooding, including building the highest priority civil works investments to mitigate flooding, the establishment of an efficient Geographic Information Systems database management, a rational reassessment of drain designs to develop a prioritized construction program, a deferred maintenance program to clear the large volumes of solid waste, silt, and vegetation built up over the years, the development of a routine maintenance program to mitigate the extensive flooding that annually plagues the city, the provision of technical assistance and training for the Office of Drainage Services, and conflict mitigation.

² The Panel was informed that some of the evicted families or their forefathers had been allocated land and relocated to Badia by the Federal Government from the location taken decades ago by the Federal Government to construct the current National Theatre. While these families do not have a Certificate of Occupation, they possess Letters of Allotment issued by the Federal Government, and on that basis, are contesting their eviction through the national courts.

D. Notice of Receipt, Adoption of the Pilot Approach, and Panel Interim Note

9. At the time of receipt of the Request, the Requesters informed the Panel that their key concern was to ensure that a retroactive RAP relating to the 2013 evictions would be finalized, funded and properly implemented. The Panel's initial review established that the Request met the admissibility criteria. On October 31, 2013, Bank Management in turn provided the Panel with an Action Plan (Annex II). The note included actions to address the concerns of the Requesters and a timeline for implementation of compensation payments.

10. The Requesters agreed to the Action Plan provided that: (i) the 2012 RAP, prepared after the evictions of March 2012, is disclosed; (ii) the most recent revision of the 2013 RAP (or addendum to the 2012 RAP as was originally indicated), is disclosed along with related documents; and (iii) a clarification about the timetable for the setting up of the grievance mechanism. The Requesters indicated to the Panel that they expected no fewer than 350 people who may have been wrongfully left out of the list of affected people eligible for compensation to be submitting grievances. The Panel communicated to Management these three important points needed for effective engagement and dialogue. Management acknowledged these points.

11. In taking the decision to apply the Pilot approach, the Panel took into consideration the following factors:

- (a) The criteria for undertaking the Pilot Approach were fully met, namely;
 - the issue of concern being raised is specific and focused in nature;
 - availability of a time-bound Management Action Plan to resolve problems, with Management's commitment of financial and supervision resources until the completion of the Action Plan; and,
 - the agreement of Requesters and Management to pursue this course of action.
- (b) The urgency of the situation and the need for compensation, given that 9,000 destitute persons evicted from their homes had not yet received any monetary compensation; and,
- (c) The possibility of ensuring prompt payment of the compensation to the evicted persons through intensive deployment of the Project's financial and staff resources and Management's continued supervision, even though the Project had already closed.

12. The Panel thus informed the Board of Executive Directors on November 11, 2013 through a "Notice of Receipt of Request" that in accordance with the steps set out in the Pilot approach, it would ask the Requesters and Management to engage in direct dialogue on these matters, and to keep it updated on progress in addressing the concerns of the Requesters. In line with the Pilot approach, the Requesters retained the right at any time to declare their non-satisfaction and request the Panel to register their Request.

13. On March 20, 2014, the Panel informed the Board in an Interim Note that the agreed actions were still being implemented,³ and that Requesters and Management were continuing their engagement with each other and with the authorities to resolve the outstanding issues. The Panel also informed the Board that Management expected the majority of the affected people to receive compensation by the end of April 2014, and that an effective grievance process would be in place to properly address residual claims. The Panel informed the Board that it would wait for the implementation of these actions, and would convey its decision by May 2014.

E. Site Visit

14. In order to assess the progress achieved under the Pilot, a Panel team consisting of Chairperson Eimi Watanabe, Panel Member Gonzalo Castro de la Mata, then Acting Executive Secretary Dilek Barlas, and Senior Operations Officer Serge Selwan visited Lagos and Abuja between May 27 and May 30, 2014.

15. The team met with the Requesters, their Representative (SERAC), and 6 out of 8 of the designated community representatives.⁴ SERAC and the community representatives also guided the team through a site visit and a meeting with approximately 80 additional residents of Badia East. The team was also received by officials of the Lagos State Government including the Attorney General, the members of the inter-departmental Technical Committee constituted for the purpose of resolving the Badia evictions, and officials of the Lagos Community Mediation Centers (CMC), in operation since 1999 and which act as the Grievance Redress Mechanism (GRM) for the purposes of the Pilot. In Abuja, the team met with the Director of the International Economic Relations Department of the Federal Ministry of Finance, and the World Bank staff.

16. The meetings with SERAC and community representatives in the SERAC office and the visit to the Badia East community, lasting the entire day, gave the Panel an opportunity for formal as well as more informal interaction with SERAC and community representatives and members, and the Panel was able to observe the confidence that the community representatives placed on SERAC.

17. The Panel wishes to express its gratitude to all of the above people who generously allocated their time and provided detailed information during the meetings, site visit and through other means. The Panel also wishes to record its appreciation to Management, who has kept the Panel informed during this process, responded immediately to requests for information, and made excellent arrangements for the Panel's visit.

³ Communication dated January 28, 2014, from SERAC to the World Bank to "*formally convey our no-objection to the compensation package as proposed by the Lagos State Government and accepted by the Badia East community's representatives.*"

⁴ The other two representatives were not available that day because of personal commitments.

F. Events since the 2013 February Demolitions

18. According to the Project's Implementation Completion Report (ICR),⁵ following the February demolitions the Bank advised the Government of Lagos State to adopt and apply the provisions of the Project Resettlement Policy Framework (RPF). In its meetings with the Lagos Government, the Panel learned that a Technical Committee consisting of representatives of relevant Government departments was inaugurated in June 2013 to prepare and implement a RAP based on the RPF. The Committee held a meeting with affected people in early July 2013, and later requested the two communities of Badia East (Ajeromi and Oke Ilu-Eri) to select four representatives each. These eight community representatives then submitted lists of affected people to the Technical Committee, which became the baseline data for the RAP.

19. The community representatives and the Technical Committee interacted on the compensation amounts between September and December of 2013, which were later approved by the Lagos Government Executive Council. These amounts were agreed by the community representatives on December 30, 2013. On February 21, 2014, the Lagos State Government informed the general public through a newspaper that the RAP for the Badia East community designed specifically for the February 2013 evictions would be disclosed at the Local Council Development Area. The RAP was made available for 21 days in hard copy and was also disclosed on the website of the Lagos State Government. Following disclosure, the Lagos Government started compensation payments. The Panel learned that the beneficiary information forms used by the Lagos State Government to process claims included a clause through which acceptance of the payments represent a renunciation of any future claims related to the evictions.

20. On March 8, 2014, the Panel was informed by Management of a delay in compensation payments due to the inability of certain affected people to provide State-issued identification cards. Management also informed the Panel that the Attorney General of the Lagos State Government requested the Lagos State Resident Registration Agency to issue identification cards to the affected people; in cases where some were unable to provide any form of identification, their compensation payments would be processed on the basis of affidavits from any recognized community leaders or members. Management also informed the Panel that the Technical Committee would continue to address unresolved claims, including approximately 140 tenants identified by SERAC that were earlier omitted from the main list.

21. On April 24, 2014, Management informed the Panel that as of April 11, 2014, out of a total of 1,933 tenants, 1,554 had received their compensation payments (i.e., 80%), while another 214 were cleared for payment, and an additional 63 tenants who had claimed to have been omitted from the original list, had also been cleared and paid compensation. Furthermore, Management informed the Panel that community representatives contacted by a Bank mission had expressed satisfaction and confirmed that most of the omitted affected people were included under the GRM; efforts were also ongoing to identify and validate any other affected people who may have been omitted by the GRM. Management also informed the Panel that by April 28, 2014, the Technical Committee would submit a time bound action plan for the completion of the RAP implementation and would start providing the Bank with a monthly progress report on its

⁵ Implementation Completion and Results Report, Lagos Metropolitan Development and Governance Project, dated March 24, 2014.

implementation. Management further informed the Panel that the Lagos State Government would provide training opportunities at the State Vocational centers for PAPs as part of livelihood restoration and that the Technical Committee would sensitize those interested on the procedures for accessing these opportunities.

22. Following Management's communication, the Panel contacted SERAC to confirm the information it had received. On the same day, SERAC confirmed that there was a marked improvement in terms of compensation payments being made to affected people. However, SERAC was unable to provide an exact figure, stating that they were not being kept fully informed of the numbers of affected people paid. Concerning the GRM, SERAC confirmed that it was in place. During its visit to Lagos, the Panel met representatives from the CMC, which was functioning as a grievance mechanism in the context of the Pilot. As such, it was intended that CMC receive and attempt to resolve complaints from identified claimants that have not yet received payment. The CMC was expected to direct any new claimants that have not been verified to the Technical Committee.

23. The information received by the Panel from Management on June 27, 2014, indicated that a majority of the affected people on the original list [have/had] received their compensation payments. Management also indicated that they received complaints from [community members and] SERAC regarding 126 structure owners (100 large and 26 medium) whom are yet to receive payments despite being cleared and processed. Management noted that the Project Finance Management Unit, with the support of Bank's financial management mission, is reviewing the financial transaction process to understand the constraints and to establish measures to clear the pending payments. Furthermore, Management included next steps to expedite the process for resolving all pending cases and bringing the RAP to a successful close.

24. On July 2, 2014, the Panel received a letter signed by two of the original three Requesters,⁶ stating that instead of SERAC, they were now designating a Barrister to represent them, and that they now wished the case to be registered. On July 11, the Panel received a communication from the Barrister, outlining their reasoning for requesting the Panel to register the Request (Annex III).

25. On July 8, the Panel received a communication from SERAC conveying "*the Badia East community's expression of satisfaction with the implementation of the Resettlement Action Plan for Badia East thus far,*" and their "*expression of satisfaction with the pilot process of the World Bank Inspection Panel.*" They state also that although there are outstanding commitments to be met under the RAP, the community is satisfied with the seriousness that the Lagos state government and the Bank Management have demonstrated towards resolving outstanding issues arising from the February 13, 2013, forced eviction in Badia East. Attached to this communication was a letter signed by five community representatives and the third Requester, indicating their "*wish to state categorically that the intents of the letter (in reference to the letter dated July 2, designating the Barrister as representative) did not emanate from our community as there was no consultation whatsoever with stakeholders before such representation was made and as such we disassociate ourselves from same*" (Annex IV).

⁶ One of whom is a community representative.

26. On July 14, 2014, the Panel received a communication from Management, with a commitment of actions to complete the outstanding issues, including (i) the processing of all project affected people who are yet to be cleared for payment (July 9-11); (ii) the resolution of all outstanding grievances (July 14-25); (iii) ascertaining prompt follow-up of names cleared for payment and full monitoring to enable payment to all respective beneficiaries (by end of July); (iv) allow participation in vocational training opportunities in 17 centers across Lagos State (August 1-18); and, (v) ensure a final report is prepared by the Technical Committee with the help of the CMC and Project Financial Management Unit (August 18-31) (Annex V). Management further committed to maintain oversight and submit a report to the Board of Executive Directors by the full conclusion of the payments and final RAP implementation.

G. Panel's Observations Regarding the Evictions and Further Actions by Management

27. The Panel makes the following observations based on its interactions with the community representatives, Requesters and their representatives, Government officials, Bank Management, the Panel's observations from the site visit, and its review of correspondence and additional information. Although the Panel did not conduct an investigation or attempted to review Management's compliance or otherwise with applicable Bank Policies and Procedures, it notes the following regarding the results of the Pilot, as well as the process itself.

- (a) The evictions in Badia East resulted in very serious harm to thousands of people who lost their homes and belongings overnight and with little or no warning. These people are among the poorest citizens of the State of Lagos, and lack the capacity to effectively complain or seek redress from government authorities. Furthermore, their condition after the evictions was desperate.
- (b) The Panel recognizes the efforts and accomplishments of the Bank throughout the implementation of the Pilot process to ensure that funds were disbursed in a speedy manner to affected people. Management deployed resources, and significant supervision attention to implement an Action Plan that has so far resulted in approximately 84.3% of the affected people being paid, with an additional 5% cleared for payment. These actions have provided important relief to most of the people that were evicted.
- (c) In the words of the Requesters representative (SERAC), the compensation payments may not have materialized without the Pilot. SERAC expressed their recognition of the effectiveness of the Pilot process in providing compensation payments to the affected community in a relatively short time compared to a full investigation. As noted below, SERAC, in 1998, presented the Panel an earlier Request for Inspection relating to another Bank-financed Project.
- (d) Nonetheless, a major shortcoming of the implementation process has been that the RAP was prepared and implemented ex-post ("retroactively"). While the 2012 evictions took place for drainage works under the Project, the Panel understands that the 2013 Badia demolitions were not part of a planned resettlement activity under the

Project. Under the provisions of the Financing Agreement,⁷ however, for both the 2012 and 2013 evictions, the process should have followed the principles of the Policy on Involuntary Resettlement (see below).

- (e) The retroactive nature of the RAP implied that no socio-economic studies were conducted with the involvement of potentially affected people, which should have included the results of a survey listing the occupants of the affected areas and the standard characteristics of the households to be resettled, in addition to the baseline information on their livelihoods or standards of living. The lack of such a survey made it challenging for legitimate claimants to stake their claims when they had lost proper identification; likewise, it also made it difficult to separate legitimate claimants from those that attempted to take advantage of the situation by claiming payments to which they were not entitled.
- (f) This retroactive RAP process also meant that prior consultation on resettlement was entirely lacking, and the process of communities being consulted through selected community representatives took place only after the RAP document was being prepared. After the evictions, it is not surprising that many people had to leave Badia East and immediately seek alternatives for housing and jobs elsewhere. Identifying and consulting affected people under these circumstances proved extremely challenging.
- (g) Furthermore, without a proper baseline it is very difficult to assess whether or not the payments received are fair and sufficient to restore the livelihoods of affected people as mandated in Bank Policy. Many of the affected people interviewed by the Panel in Badia East complained that payments were totally insufficient for them to restore their previous livelihoods. On the other hand, the Bank engaged two independent experts specifically to determine proper compensation amounts based on current market rates, and advised the Government accordingly.
- (h) A key shortcoming in the implementation of this Project may have emanated from the contradiction between OP 4.12, Bank Policy on Involuntary Resettlement and state legislation. Bank Policy on Involuntary Resettlement, in paragraphs 15 and 16 recognizes the eligibility for benefits of displaced persons “*who have no recognizable legal right or claim to the land they are occupying,*” but are given “*resettlement assistance in lieu of compensation for the land they occupy, and other assistance, as necessary to achieve the objectives set out in this policy.*” This is in contrast to the legislation of the State of Lagos, which considers anyone without a legal title to land as a squatter, and as a result would not have rights to compensation.

According to the ICR,⁸ “*there were material differences about the principles of the RPF. The State was uninterested to apply these principles on a large scale and in a slum setting. Even though compliance with OP 4.12 was achieved under parallel Bank projects (within the transport portfolio for instance), material differences*

⁷ Financing Agreement, Lagos Metropolitan Development and Governance Project, Credit Number 4219 UNI, between the Federal Republic of Nigeria and the International Development Association, dated July 31, 2006.

⁸ ICR, para. 40.

remained with the LMDGP and related to the notion of informality among poor and low-income squatters, many of which [were] migrants. While technical solutions could have been found to substantially limit the number of potential Project Affected people (PAPs) under the draining component, it appears that the State was uninterested to explore them. This could have been a function of the increase in own resources allowing the State to finance draining works itself or fundamental policy difference about OP 4.12 in a slum setting.”

These divergent views resulted in a situation in which the proper implementation of safeguard provisions became very challenging from the start of the Project. The ICR notes that even after restructuring *“works have proceeded and triggered demolition in several cases without prior RAPs.”*⁹ This led to the Bank taking the decision in July 2012 to suspend all activities related to new sub-projects until an action plan to redress the situation was put in place.

- (i) The Panel notes the incidences of past forceful evictions of slum dwellers in Lagos, including the forceful eviction of some 2,000 slum residents under the Drainage and Sanitation Project for which the Panel received a Request for Inspection in 1998. This may be partially the context in which the Financing Agreement for the current Project included a provision stating that *“the Recipient shall cause the Project Implementing Entity to carry out city wide upgrading programs in accordance with acceptable principles including those of the Resettlement Action Plan (RAP).”*¹⁰ Accordingly, the Lagos State Government committed, under the Financing Agreement, to abide by the principles of the Bank Policy on Involuntary Resettlement. Pursuant to the Bank’s policies (OP/BP 13.05 Policy on Supervision and OP/BP 10.00 Policy on Investment Project Financing), Management needs to ascertain that the Borrower is carrying out the Project activities in accordance with the Financing Agreement. The Panel also notes that the above noted obligation under the Financing Agreement continues until the repayment of the Credit.

While the Panel commends Management’s intent to provide proper protection to involuntarily resettled people due to all city wide upgrading activities in Lagos through the inclusion of the above covenant in the Financing Agreement, given the potentially enormous numbers that may be involved and the complexity of resettlement actions, the past instances of forceful resettlement, and continued instances of demolitions under this Project, it is the Panel’s view that the enforcement of such a provision would have required substantive supportive measures, including a review of the provision in the context of a larger policy framework concerning illegal settlements, a concurrent commitment involving capacity building, review of national and local legislation and other regulations, and securing additional resources. In the

⁹ ICR, para. 41.

¹⁰ The Financing Agreement, states that *“such principles shall include the following: (i) involuntary resettlement should be avoided where feasible; (ii) where it is not feasible to avoid involuntary resettlement, displaced persons shall be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs; and (iii) displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels.”* See Schedule 2, Project Execution, Section V, Other Undertakings, p. 11.

absence of ensuring concrete measures that enable the operationalization of the provision in the Financing Agreement, the Panel believes that the Bank fell short of protecting the poor and vulnerable communities against forceful evictions.

- (j) Finally, the Panel notes that the ICR recommends a stand-alone case study “*to extract lessons learned from LMDGP in a more systematic manner, provide in-depth analysis of the modalities of urban sector engagements in a mega-city like Lagos, and make recommendations towards the structure and manner of engagement in such settings.*”¹¹ The Panel fully endorses this recommendation and suggests that such a case study analysis might be shared with the Board of Executive Directors.

H. Lessons Learned for Future Pilots

28. During its meetings with the Requesters representatives (SERAC), the Panel was informed that the Lagos State Government initially denied the participation of SERAC in meetings designed to formulate the RAP. Furthermore, SERAC was not formally informed about any steps taken by the Lagos State Government in the context of the Pilot; it was only after Bank Management’s intervention that SERAC was able to inform itself of the situation, thus remaining a fairly “*distant witness*” in the process, even though it was the legal representative of the Requesters. Towards the final stages of the Pilot, and following further direct intervention of Management, SERAC was able to play a more direct and proactive role in the proceedings. As stated earlier, the Panel observed the interaction between SERAC and the community, and the latter’s expression of confidence in SERAC. The Panel also noted throughout the interaction with SERAC that they consistently went back to ascertain the community’s wishes before proceeding with the next step.

29. An important lesson for future Pilots therefore is that the Panel needs to ensure that the mandate that is given to the Requesters’ representative is made clear to all stakeholders, especially government authorities, thus ensuring that they remain a full participant and representative of the community and are well informed throughout implementation.

30. The selection by the communities themselves of eight representatives was an important process. There needs to be clearly defined and accepted procedures for consultation and representation, and a willingness of all stakeholders to abide by the established process.

I. Conclusion and Proposed Actions Moving Forward

31. The Panel carefully reviewed the issues of community representation due to conflicting communications sent to the Panel as set forth in paragraphs 25-26 above. The Panel notes that the initial Request for Inspection was submitted by the Social and Economic Rights Action Center (SERAC) in Lagos, on behalf of “*individuals, families and groups living in the Badia area of Lagos State*”. The Panel also notes that the majority of the eight selected community representatives expressed their satisfaction with the implementation of the Action Plan. While the Panel’s Pilot process notes that the Panel will register the Request if the Requesters are not satisfied with the process, in this particular instance, after ascertaining that the majority of the

¹¹ ICR, p. 23.

community representatives expressed their satisfaction in writing and Management has taken adequate measures to address the remaining concerns related to the implementation of the Action Plan, the Panel has decided not to register the Request and thus conclude the Pilot process.¹²

32. Overall, the Panel considers that the implementation of the Pilot approach provided an opportunity to for the Lagos State Government and the Bank, together with SERAC, to speedily work together, thus allowing them to effectively (if not always perfectly) provide immediate compensation and thus relief to thousands of affected people. The Panel wishes to recognize and appreciate the concerted effort made by Management, at all levels, in support of this outcome.

33. In sum, the circumstances that prevailed under the Pilot were as follows: (i) there was an urgent need for immediate relief, (ii) the evictions had already occurred and the population was being dispersed, (iii) the Resettlement Action Plan was prepared retroactively under these conditions, (iv) the project was already closed, and (v) there was a fundamental difference in the perception that the Borrower and the Bank had regarding the affected people and their entitlements. In this situation, the Bank and SERAC, working with the Project authorities, had done their utmost to bring compensation to the affected individuals and families, and as of today, some 84.3% have already received their payments, with a firm action plan to complete the remainder. Thus, under these circumstances, in the Panel's view, the decision to implement the Pilot proved to be effective. However, the Panel recognizes that there were aspects of the Project that fell short of Bank safeguard requirements, and that there are important lessons for future projects involving resettlement in urban slums in a sustainable manner. Meanwhile, there have also been lessons learnt by all sides from the Pilot process itself.

34. In moving forward, however, and consistent with the decision to pursue the Pilot approach, the Panel wishes to assure itself that the process set in motion can be completed to the satisfaction of all claimants, and within a reasonable timeframe. To this end, the Panel notes the following:

- (a) Management's firm commitment to maintain oversight to the full conclusion of the payments to the affected people, as spelt out in Management's plan presented on July 14 (Annex V).
- (b) Management's commitment to inform the Board of Executive Directors on final RAP implementation.
- (c) The Panel's support for the proposal, as recommended in the ICR, to carry out a stand-alone case study to extract lessons learned from LMDGP in a more systematic manner, provide in-depth analysis of the modalities of urban sector engagements in a mega-city like Lagos, and make recommendations towards the structure and manner of engagement in such settings.
- (d) As stated in the document outlining the Pilot approach, the results and effectiveness of the pilot will be assessed by the end of 2015. The modalities for such an

¹² As per the procedures of the Pilot, namely, "if the Requesters are satisfied that their concerns are being successfully addressed, and they so inform the Panel in writing, the Panel will not register the Request, and will issue a Notice of Non-Registration."

independent assessment will be determined in consultation with Management and other stakeholders.

35. In light of the foregoing, the Panel is not registering the Request for Inspection. The Panel considers that the implementation of the above Pilot has been instrumental in demonstrating the merits of a differentiated approach to certain Requests, and the value of seeking early solutions, while at the same time drawing valuable insights and lessons for the future implementation of Bank policies in specific situations.

Yours Sincerely,



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