Defining the boundaries of a project: Where does Bank accountability stop?
Lessons from Panel cases and beyond

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The mandate of the Panel

Respond to complaints by people who believe that they are suffering, or may suffer, harm caused by a World Bank-financed project.

A Panel investigation looks at:

Bank’s actions or omissions

Has the Bank followed its own policies and procedures in design, appraisal and implementation of the project?

Material adverse effects on the people complaining or environment

Is the alleged harm linked to the project supported by the Bank?

Key question: What is the boundary of the project – and its area of influence?
What does Bank policy prescribe?

Environmental Assessments evaluate “a project’s potential environmental risks and impacts in its area of influence”.

“The area likely to be affected by the project, including its ancillary aspects ... as well as unplanned development induced by the project”.

- Nature of impact determines **area affected**: watershed, coastal zone, off-site area for resettlement, airshed, areas used for livelihood activities, area of religious/cultural significance, etc.

- **Ancillary** aspects broaden scope of impacts: transmission lines, pipelines, tunnels, access roads, construction camps, etc.

- Impacts from **induced** development also counts: spontaneous settlement, logging, etc.
Many Panel cases where area of influence was an important issue

- **Area of influence defined too narrowly**
  - Serious impacts not adequately analyzed and mitigated

- **Factors that were inadequately considered**
  - Impacts on in areas beyond land acquisition: buffer zones
  - Certain direct impacts overlooked: traffic flow, risks of flooding
  - Associated facilities not recognized
  - Assessing an integrated system vs. discrete components: effects of induced activities “upstream” or “downstream” of component financed by the Bank not considered
  - Cumulative impacts of a range of investments
Included proposed landfill at Kwabeneya to serve the greater Accra area. This site was later dropped.

- ‘Boundary’ issue investigated:
  - Need for a buffer zone to mitigate impacts from the landfill (air pollution, safety)

- Panel findings:
  - Size of buffer zone too limited
  - Impacts on people residing in the buffer zone not adequately addressed
  - Area of influence likely to extend beyond buffer zone, but extent of impacts not analyzed.
Peru: Bus rapid transport system in Lima

Building of 29 km segregated busways and related terminals. Rerouting of traffic.

- ‘Boundary’ issue investigated:
  - Resulting changes in vehicle traffic patterns
  - Impacts on historic neighborhood

- Panel findings:
  - Little attention paid to increased traffic into areas which have had lower traffic density
  - And the impacts on historical buildings and tourism
Widening of regional trunk road

- ‘Boundary’ issue investigated:
  - Risk of flooding caused by road embankment in highly flood prone area

- Panel findings:
  - Because the land is flat there is also risk of flooding downstream of the road. This effect had not been considered within the area of influence.
  - Flood risks under different rainfall scenarios had not been analyzed.
Uganda: hydropower plant at Bujagali

250 MW plant on the Nile downstream of existing plant at the outflow from Lake Victoria

- ‘Boundary’ issue investigated:
  - Impacts on the water level of Lake Victoria

- Panel findings:
  - Bujagali plant may effect the water release scheme from Lake Victoria
  - EA defined area of influence starting below existing plant, and risk of lowering water level in Lake Victoria not considered
  - This had occurred in recent past with serious adverse impacts to communities
Construction of a water conveyance tunnels (24 km) to transport water from dam in Bekaa valley (Qaraoun)

- ‘Boundary’ issue raised:
  - Impacts on other users of water stored at Qaraoun dam.

- Panel process:
  - Issue not addressed in EIA. Area of influence defined only as the right-of-way for the tunnels
  - Management commissioned study on water availability. Concluded that in the medium term Qaraoun dam will have enough water for all users
  - Irrigation schemes using water from Qaraoun dam are under preparation
4,800 MW coal fired power plant and associated infrastructure

- ‘Boundary’ issue investigated:
  - Impacts from associated activities

- Panel findings:
  - EIA for Medupi did not cover associated activities authorized through separate EIA processes as per South African legislation
  - This included mining of sand for construction purposes in nearby river, and transmission lines. Requesters raised issues of serious harm in relation to these activities
  - Panel noted that more clarity is needed on what qualifies as associated/ancillary activities, also when relying on country systems
Defining boundaries of a Bank accountability

- By ‘area of influence’ – follow the impacts
  - How wide to cast the net?
  - Do we have reliable assessment methodologies and capacity?

- The precautionary principle in Bank policy – “favor preventive measures over mitigatory or compensatory measures” – means taking a broader rather than a narrow approach

- By following the money
  - This is increasingly more difficult
New lending instruments pose new accountability challenges – PforR

Program-for-Results (PforR)

- Disbursement of Bank funds linked to achievement of results
- PforR supports government programs which can be quite extensive: geographically, sectorwide
- PforR supports a portion of such programs. The boundaries of the ‘portion’ defines scope of environmental and social systems assessments (ESSA).
Approach involves:

- **Screening**: exclude Category A-type activities
- **Assessment**: ESSA focuses on borrowers’ systems and needs for strengthening
  - To meet core safeguard principles
  - Handling of grievances relating to environmental and social issues
- **Implementation**
  - Monitoring of system strengthening and impact mitigation measures
  - Disbursement-linked indicators may relate to environmental and social effects
What happens if people complain to the Panel?

- What determines whether there is a link between the PforR Program (Bank’s portion of a government program) and issues of harm raised?
- Is area of influence defined by government’s program or Bank’s portion? Is the delineation of the latter clear at the level of concrete activities? Can people know?
- Will Management take a restrictive view or be proactive in finding solutions?
- Not clear what may constitute important compliance thresholds under the PforR approach that may be directly linked to issues of harm people may raise.
Thank You!

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